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Implementation of the International Plan of Action for the United Nations Literacy Decade

Note by the Secretary-General

The Secretary-General hereby transmits the report of the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the implementation of the International Plan of Action for the United Nations Literacy Decade in accordance with General Assembly resolution 59/149 of 20 December 2004.

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Implementation of the International Plan of Action for the United Nations Literacy Decade

Report of the Director-General of the United Nations Educational, Scientific and Cultural Organization

Summary

In its resolution 56/116 of 19 December 2001, the General Assembly proclaimed the 10-year period beginning on 1 January 2003 the United Nations Literacy Decade (UNLD). By its resolution 57/166 of 18 December 2002, it welcomed the International Plan of Action for the United Nations Literacy Decade. In its resolution 59/149 of 20 December 2004, the Assembly took note of the first progress report on implementation of the International Plan of Action and called for intensified, better coordinated and sustained action to ensure literacy for all age groups and populations. It called on UNESCO to reinforce its lead coordinating role and to seek the views of Member States on the progress achieved in implementing their national programmes and plans of action and to submit progress reports on the implementation of the International Plan of Action to the General Assembly on a biennial basis, beginning in 2006. The present report reviews the findings of a questionnaire sent to Member States, the literacy situation and commitments worldwide, and the actions of the United Nations partner agencies. It reviews the challenges that face UNESCO, as lead agency, and other partners in a changing United Nations system in pursuing the goals of the Literacy Decade.

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I. Introduction

1. By its resolution 56/116 of 19 December 2001, the United Nations General Assembly proclaimed the 10-year period beginning on 1 January 2003 the United Nations Literacy Decade. In its resolution 59/149 of 20 December 2004, the Assembly took note of the first progress report on implementation of the International Plan of Action for the United Nations Literacy Decade prepared in cooperation with the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) (A/59/267). It appealed for intensified, better coordinated and sustained action to ensure literacy for all age groups and populations.

2. Above all, the General Assembly directed UNESCO to reinforce its lead coordinating role of stimulating the activities undertaken at the international level within the framework of the United Nations Literacy Decade so that they become complementary to other agreed development goals and the entire Education for All (EFA) process. It further called upon the Secretary-General, in cooperation with UNESCO, to seek the views of Member States on the progress achieved in implementing their national programmes and plans of action and to submit progress reports on the implementation of the International Plan of Action to the General Assembly on a biennial basis, beginning in 2006.

3. The present progress report for the period 2005-2006 is divided into several parts. It reviews the global literacy situation based on the latest data provided by the UNESCO Institute for Statistics (UIS) and the *EFA Global Monitoring Report: Literacy for Life, 2006*.[1] It examines the evolving international context and the relation between the Literacy Decade and other international education and development frameworks. It reports the findings of a questionnaire sent by the UNESCO Secretariat in December and February 2006 to Member States through their National Commissions for UNESCO or UNESCO field offices and to other United Nations agencies, a selected number of non-governmental organizations and several Literacy Decade international and regional resource persons. The progress report draws attention to challenges and the way forward. It reviews reports from some United Nations system agencies. It concludes with a consideration of the available tools to assess commitment and progress.

II. The literacy scene

4. The international community has been working for 60 years to promote literacy for all age groups through periods of varying commitment and utilizing a great diversity of strategies. The latest data on primary school enrolment and completion as well as youth and adult literacy worldwide are far from encouraging, however. While there has been steady progress at a global level since International Literacy Year 1990, as the data in tables 1 to 3 provided by UIS (April 2006) illustrate, there are great disparities across regions, within countries and within populations. Above all, countries and the international organizations committed to

[1] United Nations Educational, Scientific and Cultural Organization, *EFA Global Monitoring Report, Literacy for Life, 2006* (2005), UNESCO, Paris, available from http://portal.unesco.org/education.

the targets and goals of the Millennium Declaration, EFA and the Literacy Decade are not yet making the sustained efforts that are essential.

5. According to the latest UIS data (and individual country definitions of what constitutes literacy), there are 771 million adults over the age of 15 lacking basic literacy skills worldwide as of April 2006. These numbers are much greater if account is taken of youth between 15 and 24 years of age who have been denied the opportunity to learn or who have left school without completing a first school-leaving certificate. Underachievement, dropout and grade repetition are often contributory factors to lack of basic literacy and numeracy skills and competencies. Above all, for the past 20 years concern has focused on improving the quality of formal schooling as well as on increasing enrolments. The attention given to quality control for non-formal and second-chance youth and adult literacy provision has lagged far behind the attention accorded to the formal sector, however.

6. The *EFA Global Monitoring Report: Literacy for Life, 2006*[3] takes up these concerns systematically in its role of monitoring international commitment to the six EFA goals. Goal 4, which aims at achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, is the subject of the 2006 *Report*. After synthesizing the available research and policy literature on a full range of literacy and formal schooling issues, the *Report* recommends a three-pronged approach to renewing and sustaining commitment: (a) universal quality primary schooling; (b) national public commitment and expansion of adult literacy provision; and (c) systematic attention to ensuring a literate environment. The *Report* takes note of the recommendations of the background paper prepared for the EFA Working Group literacy session in July 2005.[4] This Working Group session was preparatory to one held during the fifth meeting of the High-Level Group on EFA, held in Beijing in November 2005. The Final Communique of the High-Level Group called upon Governments and EFA partners to demonstrate political commitment by integrating literacy into education sector plans, to give higher priority to literacy in formulating education budgets, and to develop sustainable literate environments. The communiqué also encouraged funding agencies to work with Governments to provide significant and regular funding and capacity development for effective literacy programmes.

7. Historically, formal education and access to literacy have only become internationally recognized human rights in fairly recent times, namely, since the adoption of the Universal Declaration of Human Rights and its Article 26. Also, the growth and spread of literacy prior to the 1950s in the world was not necessarily causally linked to economic development. Sometimes, good literacy levels and levels of education preceded economic growth. In other instances, they followed industrialization but with a significant time lag. Often, migration and the nature of labour markets in newly industrializing areas had a negative impact on the availability of schooling and adult literacy. Today, however, basic literacy and numeracy for children and adults alike are recognized as vital for equitable and sustainable development.

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[4] United Nations Educational, Scientific and Cultural Organization, "Literacy and Empowerment", background and issues paper prepared by Lesley Limage et al., for the Session on Literacy for Empowerment at the Working Group on Education for All (29 July 2005), available from http://www.unesco.org/education/efa.

8. Thus, it is now widely acknowledged that literate women are better able to care for themselves and their families and to participate in economic and social change in their societies. It is also clear that the expansion of primary schooling is not enough to ensure universal literacy in the youth and adult population. Existing school systems in all regions, to a greater or lesser degree, are plagued by wastage (dropout, underachievement, absenteeism, grade repetition) which, in fact, contributes to fragile or non-sustainable literacy skills. Existing non-formal adult literacy programmes or second-chance adult learning opportunities are rarely on a large enough scale or planned and financed in a sufficiently integrated and sustainable manner to respond effectively to the diversity of need and context.

9. Perhaps the two most basic considerations for the effectiveness of all learning are the language(s) of instruction and the availability of books and other print material (the literate environment). Children and adults alike learn most effectively in their first languages. National language policies are essentially political, however. Some countries have selected a single or dominant language as an official one to promote national unity and social cohesion or to ensure equality of opportunity. Others, especially federal states, consider that their national unity is best guaranteed by respect for their linguistic diversity. Policies on language in education at both school and adult non-formal levels are also a product of these larger political considerations. Meanwhile, with regard to literate environments, the availability of books and print materials is critical to sustainable literacy. The international dimension of book publishing and the presence or lack of an effective book sector policy have a critical impact on the ability of schools and adult education programmes to transmit reading and writing skills.

III. Learning from international experience with literacy for all

10. The international community is fortunate to have nearly a century of experience in mass literacy promotion on which to base the choices it needs to make in order to meet the Millennium Development Goals as well as the EFA goals. The countries which underwent major political and economic transformations in the first half of the twentieth century accorded high importance to literacy. Those countries undertook integrated mass literacy campaigns along with the rapid expansion of formal education to ensure the widest social participation. They also stressed the importance of promoting national and minority languages in education. International organizations such as UNESCO, in a spirit of optimism, also initially promoted large-scale adult literacy programmes and campaigns alongside the rapid expansion of formal schooling. By the mid-1960s, however, it was clear that neither the political will nor the financial resources were available for such approaches. Thereafter, more targeted and limited adult literacy programmes were supported. Since the late 1970s, a number of countries have engaged in a combination of strategies to promote children's and adult literacy. Few have been supported, however, by multilateral or bilateral assistance in ensuring that their non-formal adult learning programmes are: (a) guaranteed adequate, sustained resources; (b) equivalent to formal school certificates or alternative recognizable quality assurance; and (c) an integral part of multisector strategies or even education sector-wide planning.

11. There is considerable experience in linking literacy skill acquisition with income-generation projects and larger poverty reduction strategies. The experience

gained has not been systematically evaluated, however, with a view to taking the initiative to a larger scale or abandoning an unsuccessful approach. The multitude of donor-driven approaches also works against long-term planning and learning from experience. Community-based approaches also have their strengths and weaknesses. Response to local needs and aspirations is at the heart of relevant formal education and adult literacy programming. Communities are not necessarily democratic or egalitarian, however. The challenge is to ensure that the international community learns from its considerable experience in ensuring that the acquisition of basic literacy skills in both formal and non-formal learning settings actually leads to autonomous literate youth and adults.

12. The international community has the accumulated experience to recognize the necessary conditions for effective literacy acquisition in schools as well as in formal and non-formal adult learning programmes. There is also no doubt that basic reading, writing and numeracy skills are both a human right for all and necessary for further learning. Priority must be given to the most disadvantaged populations within the poorest countries who have remained largely untouched by the fragmented and time-bound nature of international interventions. It is also evident that scarce resources should shift away from unfocused advocacy and awareness-raising regarding isolated "success stories" (which may or may not be replicable in other contexts or which have gone largely unevaluated) towards a much more complex response. The *EFA Global Monitoring Report 2006*,[3] a rich source of synthesized research on a wide range of literacy-related issues, stresses that the challenge to meet world literacy needs can only be met by: (a) political leaders at the highest level committing themselves to action; (b) countries adopting explicit literacy policies to expand quality primary and lower secondary education; (c) scaling up of youth and adult literacy programmes; and (d) developing rich literate environments. It states that scaling up literacy programmes requires: active government responsibility for adult literacy policy and financing as part of education sector planning; clear frameworks to coordinate public, private and civil society provision of literacy programmes; increased budgetary and aid allocations; basing programmes on an understanding of learners' demands; curricula that build on these demands, with clearly stated learning objectives and adequate learning materials; adequate pay, professional status and training for literacy educators; and appropriate language policies.

IV. Reviewing United Nations Literacy Decade action around the world

13. In December 2005 and January 2006, the UNESCO Secretariat sent a questionnaire to all National Commissions for UNESCO, 18 bilateral and multilateral organizations, 9 United Nations system agencies, 64 UNESCO field offices, 34 non-governmental organizations, and 4 international and 27 regional United Nations Literacy Decade resource persons. The table below shows the replies received by the date of submission of the present progress report. The questionnaire focused on non-formal youth and adult education for literacy, considering that this is the most neglected form of provision. Thus, although the Literacy Decade is concerned with literacy for all age groups and in all educational settings, the present section of the progress report chiefly addresses non-formal policy, provision and research. The replies and the reporting are divided by topic and region. Because of

the non-exhaustive nature of the questionnaire and the replies received, the present section modestly provides examples of initiatives undertaken and reported. The implementation of ongoing policies, legislation, national frameworks and other long-term commitments are only mentioned occasionally.

Recipients of questionnaire by category	*Quantity of questionnaires sent*	*Quantity of replies received*
Bilaterals/Multilaterals	18	8
United Nations system agencies	9	3
National Commissions/ Delegations of UNESCO	194	32
UNESCO Field Offices and Institutes	64	45
International Resource Persons Team	4	1
Regional Resource Persons Team	27	4
Non-governmental organizations	34	13

A. Policy change

14. While the questionnaire refers to policy change, it was not seen as applicable by all respondents. A sample of reported policy shifts is reviewed here, however. Furthermore, many countries reported overall policy or other measures relating to formal schooling effectiveness and literacy for all age groups, which are included under this heading.

1. Africa

15. Namibia is establishing a National Council on Adult Learning to be put in place in the period 2006-2008 in order to monitor and influence the implementation of a literacy policy framework. A National Committee on the United Nations Literacy Decade operates as a subsection of the EFA Forum. The Namibian Literacy Trust has provided financial and technical support to a number of non-governmental organizations and community-based organizations.

16. Nigeria reported on implementation of its Universal Basic Education Law for all Nigerian adults, youth and children. It reported an increase in funding to basic education by all 37 states and the federal Government. Infrastructure has grown and improved; curricular reviews, teacher education and in-service training have been scaled up; and more community participation in school management and greater community empowerment have been achieved.

2. Arab States

17. The World Economic Forum has included education and literacy specifically in major meetings in 2005 and 2006 in the region. It has also provided the opportunity for increased consultation on the Broader Middle East and North Africa Initiative in relation to literacy. The Forum has hosted events relating to public/private partnerships for effective school and adult literacy, which led to bilateral business/government projects in three countries.

18. Bahrain is engaged in an evaluation of its education system's efforts during the period 2002-2005 to create more learning opportunities for adult learners, narrow the gender gap and increase enrolment rates in adult programmes. New organizational structures of the Directorate of Continuing Education have emerged to provide a larger scale of learning opportunities.

3. Asia and the Pacific

19. The UNESCO Regional Bureau for Education in Asia and the Pacific has published an inventory of Literary Decade-related policy developments, activities and programmes.

20. A Strategic Framework of Action for the United Nations Literary Decade in Pakistan has been prepared and disseminated through provincial seminars, a meeting of parliamentarians, media forums and advocacy materials.

21. Mongolia's national programme on literacy education aims to eliminate illiteracy by 2008 and increase the basic education enrolment to 99 per cent by 2012.

4. Europe and North America

22. Canada has addressed literacy issues for all age groups nationally since the 1980s at the federal, provincial and local levels. Literacy policies and strategies are often part of wider documents that address issues of skills training, employment and aboriginal education. The New Brunswick government's policy statement on adult and lifelong learning, entitled "Lifelong Learning: Quality Adult Learning Opportunities", was issued. At the end of 2005, the federal Government presented the report entitled "Towards a Fully Literate Canada: Achieving National Goals through a Comprehensive Pan-Canadian Literacy Strategy".

23. Denmark prepared a national plan for reading in August 2005 as a response to growing concern over the past 10 years. The plan's recommendations include compulsory language screening of all 3-year-old children and improved day-care facilities, with intensive language support. Throughout formal schooling, additional reading support is to be offered. The plan's implementation over the next two years will ensure that literacy is a recurrent issue on all levels in the education system.

24. Lithuania reported on the overall provisions of its National Education Strategy for the period 2003-2012 for all levels and forms of education. Particular attention is being devoted to foreign-born students and other populations with special needs. Priority is given to the prevention of dropout in primary school, the quality of secondary education, and second-chance provisions for those who left primary school and adult education or lifelong learning.

25. Montenegro reported on the general improvement of access to literacy and elementary education programmes in order to increase enrolment and completion rates.

26. The United Kingdom of Great Britain and Northern Ireland's 30 years of national literacy policy experience is regularly reviewed and updated. In December 2005, its National Commission for UNESCO hosted a conference at Oxford University to examine the findings of the *EFA Global Monitoring Report: Literacy for Life, 2006*. The participants — drawn from the British development, literacy and

adult education communities, the Ministry of Education and UNESCO — developed a framework and recommendations for future international literacy policy and capacity-building cooperation, especially within the Europe Region.

27. The United States of America presented the Reading First programme, intended to ensure that every student can read at grade level or above by the end of the third grade (8-9 years of age). Through this programme, states and districts receive support to apply scientifically based reading research to ensure that students become proficient readers. Some 5,200 schools in more than 1,500 school districts now participate in Reading First, reaching more than 2 million students and 100,000 teachers.

5. Latin America and the Caribbean

28. In the framework of the Regional Education Project (PRELAC), the UNESCO Regional Bureau for Education in Latin America and the Caribbean focused its action on advocacy for policy change in the area of literacy.

29. A national symposium on literacy and gender was held in St. Lucia to share the results of a large-scale literacy evaluation. The results and the seminar proceedings were published in December 2005 by the St. Lucia National Commission for UNESCO.

30. A meeting on popular education and educational policies in Latin America in the framework of Education for All was held in San Salvador in November 2004, which led in 2005 to a formal agreement being made between the El Salvador Ministry of Education and civil society to work together to promote literacy.

31. Cuba held the First World Congress on Literacy in Havana from 31 January to 4 February 2005; more than 5,000 educators attended the Congress, mostly from Latin American countries but also from Africa and Asia.

32. A South-South Policy Dialogue on Quality Education for Adults and Young People was held in Mexico City, from 15 to 17 June 2005 to provide a platform for the exchange of experience with national planners and policymakers, with participants from all regions.

B. Developing flexible programmes and community participation

33. Although the questionnaire had separate headings for "flexible programmes" and "community participation", many respondents replied interchangeably.

1. Africa

34. UNESCO has been working with the Malagasy Government on the United Nations System Programme for the Promotion of Basic Education for All Malagasy Children. In its mid-course evaluation report of March 2005, it reported particular success in providing literacy to hard-to-reach children with innovative accelerated learning methods and participation incentives, as well as a highly diversified delivery mechanism. UNESCO works with Chad on a programme to promote bilingual basic education (French and Arabic) supported by the Islamic Development Bank since 2004. A similar programme has been developed with the Niger since July 2005.

2. Asia and the Pacific

35. Thailand reports a programme carried out between 2003 and 2005 to promote literacy for those who cannot read and write the Thai language, primarily targeting the elderly, migrant labourers, farmers and prison inmates.

3. Arab States

36. The UNESCO Cairo Office reported the UNILIT (University Students for Literacy) programme in Egypt, the Sudan and Yemen to use university students to offer literacy training for rural girls. Seven literacy centres were opened in Egypt and some 29 centres in the Sudan.

37. A Literacy and Reading Passport has been developed to promote reading skills among both adults and children in Jordan, Morocco, Tunisia and the Occupied Palestinian Territory.

4. Europe and North America

38. Croatia has an Action Plan for the Implementation of the Strategy for Adult Education for 2005, in which one of the components is the Literacy Programme, benefiting some 2,354 people. A new curriculum for adult basic education is under ongoing review. Cyprus has a three-year programme for adolescents between 12 and 15 years of age in secondary education with basic literacy needs. The programme is found to be most effective when families support their children and are in close contact with the schools.

39. Turkey began an initiative in 2004 to reach 7.2 million children and adults with literacy needs. The European Union's Support to Basic Education Programme is assisting Turkey in the preparation of both a First Phase Literacy Programme and a Second Phase Basic Education Programme for Adults. Some 10,000 copies of teachers' guidelines, course books and workbooks were published in the first phase and the second phase was completed in April 2006.

40. Serbia reported a functional basic education programme for the Roma and other marginal groups for the period 2005-2007.

5. Latin America and the Caribbean

41. Brazil's Literate Brazil Programme (Programa Brasil Alfabetizado) aims to achieve educational inclusion by means of effective literacy teaching for young people and adults over 15 years of age. It is structured around a set of agreements with state and municipal governments, non-governmental organizations and other public and private institutions and universities. It began with 1,668,253 beneficiaries in 2003 and has grown to 2,049,059 participants in 2005.

C. Capacity-building

42. A number of countries report their bilateral aid assistance to basic education and literacy under this heading.

43. Austrian development assistance is financing three projects with African partners until September 2006, jointly with the Austrian National Commission for UNESCO, the Council of Europe and the African Academy of Languages in Mali.

These projects assist Africa to address its multilingualism and literacy provision on an ongoing basis.

44. DANIDA (Danish bilateral aid) is supporting educational planning and programmes including literacy in Bolivia, Burkina Faso, Nepal and Nicaragua.

45. German cooperation assistance through the Gesundheit, Bildung, Soziale Sicherheit Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) reported on its assistance to Senegal for this period concerning women's basic education.

46. Japan reported its new programme entitled "Basic Education for Growth Initiative", which started in 2002, as well as its ongoing support for literacy through multilateral channels (including UNESCO) for many years.

47. The Association for the Development of Education in Africa, grouping international organizations and aid agencies along with senior ministry of education officials and the African research community, regularly conducts studies and programmes for capacity-building. Its 2006 biennial meeting reviewed the state of all aspects of education in Africa, with particular attention focused on literacy and primary education.

1. Africa

48. Between January 2004 and March 2006, Kenya has been developing a national qualifications framework based on the integration of education and training into a unified structure of recognized qualifications and skills; the aim is to ensure an integrated system that encourages lifelong learning. UNESCO Nairobi has been supporting a number of stakeholder consultations and workshops to facilitate dialogue on this framework.

49. The UNESCO Institute for Lifelong Learning, formerly the UNESCO Institute for Education, has been giving particular attention to adult and continuing education in Africa and has worked closely with the Association for the Development of Education in Africa on the biennial meeting. The Institute held a Cross-National Training Workshop on the Evaluation of Non-Formal Education and Literacy Programmes for Youth and Adults in Africa in February 2006.

2. Arab States

50. Kuwait's Department of Adult Education and Literacy in the Ministry of Education reports an initiative to collect data on literacy rates for all ages to create an informed literacy strategy.

51. Lebanon's National Committee for Literacy and Adult Education is implementing national studies for literacy; undertaking curriculum and textbook improvement; training human resources; and disseminating and promoting literacy classes within the social and development centres of the Ministry of Social Affairs. In 2004, the National Committee launched the new curriculum entitled "For a Better Life", for Arabic literacy for working children.

3. Asia and the Pacific

52. The Islamic Republic of Iran reported on efforts to develop literacy activities through the establishment of 60 community learning centres covering 20,000 illiterate people. It also is undertaking efforts to decentralize decision-making about

literacy programmes while ensuring that the most disadvantaged regions are able to improve literacy rates.

53. Mongolia is operating a Literacy through Distance Education Programme to reach 2,300 illiterate persons.

54. Viet Nam reported on a programme entitled "Literacy and Non-formal Education for Poverty Alleviation in the Mekong River Delta". The UNESCO Office in Viet Nam supports the Vietnamese Government to preparing a national policy to expand community-learning centres as a literacy delivery mechanism.

4. Europe and North America

55. France's "Forum permanent des pratiques des intervenants de lutte contre l'illettrisme" (Permanent Forum for Actors in the Struggle against Illiteracy) was put in place by the Agence nationale de lutte contre l'illettrisme (National Agency for the Struggle against Illiteracy). The forum engages in training (initial and in-service) and the exchange of experience to improve the professionalism of literacy provision at all levels; it also engages in international cooperation.

56. Greece reported on adult literacy provided by the Prefectoral Committees for Adult Education. In collaboration with local authorities, courses are offered all over the country. During 2005, some 36 courses were offered to 418 trainees serving the general population. In the same year, 35 courses were offered to 376 trainees for the Roma population.

57. Romania began a "second chance for primary education" initiative in 2005 for young people and adults over 14 years of age who have not graduated from primary school. Thus far, 850 participants have been involved.

5. Latin America and the Caribbean

58. Brazil's Literate Brazil Programme includes provision for training approximately 80,000 literacy workers/educators per year. Cuba's "Yo si puedo" programme has been shared with several Latin American and African countries to promote low-cost, effective literacy provision. The method has been used in Bolivia, Brazil, Cuba, the Dominican Republic, Ecuador, Grenada, Guinea-Bissau, Honduras, Mexico, Mozambique, New Zealand, Nicaragua, Nigeria, Paraguay, Peru, South Africa, Timor-Leste and Venezuela. It employs a combination of distance and face-to-face learning.

59. All Latin American countries and Spain participated in the Iberoamerican educational cooperation on youth and adult education conference, held from 26 to 30 September 2005 in Madrid, to survey all national literacy and adult education programmes. A National Encounter of Popular Educators was held in Canelo de Nos, Chile, from 24 to 26 November 2006, to strengthen the administrative capacity of popular education programmes in the country.

D. Research to understand problems

1. Africa

60. Nigeria reported a literacy survey to determine the literacy rate of the states with the highest and lowest literacy rates during the period 2004-2005, with support from the World Bank. The states of Yobe and Lagos were surveyed.

61. The UNESCO Institute for Lifelong Learning assisted Botswana in carrying out an evaluation of its National Literacy Programme and is currently assisting in the development of a curriculum framework for a new adult basic education programme.

2. Arab States

62. The UNESCO Cairo Office has conducted a study of the best practices available in Egypt to use information and communications technology for literacy promotion.

3. Asia and the Pacific

63. Thailand reported a research study and bilingual material development for ethnic minorities in Omkoi District, Chiang Mai Province. It plans to expand the bilingual approach to other areas.

64. An assessment of the literacy situation in Bangladesh was conducted in 2005 and its results were discussed at a seminar in May 2006.

65. China is conducting a study on information and communication technology-based illiteracy elimination and technological training in China's western countryside.

4. Europe and North America

66. Canada reported both system-wide and programme research. In 2005, Alberta Education released a report entitled "Aboriginal Education: A Research Brief for Practitioners" to highlight effectives practices for First Nations, Metis and Inuit learner programmes. Over the past two years, the Ministry of Education in Quebec has been undertaking an extensive inventory of research to improve literacy training.

67. The United States reported the Reading and Writing Education Research Program being undertaken by the National Center for Education Research. The long-term outcome of this programme will be an array of tools and strategies for improved reading and writing.

68. Finland reported on a joint study conducted by the Institute for Educational Research and Statistics Canada to understand why Finland outperformed Canada in the PISA (Programme for International Student Assessment) 2000 and 2003 reading, mathematical and science literacies.

5. Latin America and the Caribbean

69. The UNESCO Regional Bureau for Education in Latin America and the Caribbean has been coordinating a region-wide research programme on the quality

of learning achievement and supporting training, exchange and capacity-building related to national research institutions.

E. Monitoring and evaluation

1. Africa

70. Kenya reports that it has conducted its National Adult Literacy Survey between April 2004 and June 2006. It is intended to obtain reliable and accurate data to enable the Government to formulate its policy for adult and continuing education, to expand adult education programmes and to effectively integrate the subsector into a national qualifications framework.

71. Lesotho reported a literacy mapping exercise to identify herd boys under the age of 18 and girls who are employed to enrol them in literacy programmes in 10 learning centres during 2005. Learning centres have been opened in four districts, animators have been identified, trained and are on the job.

72. Nigeria reviewed its ongoing monitoring and evaluation of adult and non-formal activities nationwide in collaboration with the Association for the Development of Education in Africa in a peer review of non-formal education. The monitoring has identified enrolment in literacy centres, the number of front line workers in literacy delivery and the dropout rates from literacy centres.

2. Arab States

73. A number of Arab States are putting in place improved monitoring and evaluation of their education systems. None of the reports received, however, refers to specific literacy-related monitoring or the evaluation of existing programmes or policies.

3. Asia and the Pacific

74. The UNESCO Regional Bureau for Education in Asia and the Pacific has begun to prepare the mid-term regional review of Education for All, which includes primary education and adult literacy. Preparations are being made to include the Literacy Decade component.

4. Europe and North America

75. Ongoing monitoring and evaluation are reported for reading achievement in formal schooling and in national and international surveys of adult literacy (as in the International Adult Literacy Surveys). They are not specifically linked to the Literacy Decade but reference is made in questionnaire replies.

5. Latin America and the Caribbean

76. On the basis of a literacy campaign carried out using the Cuban "Yo puedo si" model, Venezuela has declared that illiteracy has been eliminated in 2005.

77. The Dominican Republic conducted a national survey and seminar on adult illiteracy and strategies for its elimination in 2005.

V. Challenges and the way forward

A. International coordination and cooperation: literacy in a changing United Nations system

78. The present section of the progress report is intended to recall the scale and complexity of the United Nations Literacy Decade in its larger context. The World Summit in September 2005 focused international attention on the reform of the United Nations system. While reaffirming their faith in and commitment to the United Nations and the vital importance of an effective multilateral system, the World Summit recognized the urgent need for change and systemic reform. While much attention was placed on the three areas of development, humanitarian assistance and the environment, the world's leaders did not neglect education and its vital contribution to poverty eradication and other international goals. The vital link between education and development was acknowledged and reinforced. It remains the role of Literacy Decade partners to make the case even more forcefully that literacy for all age groups is essential for achieving the goals of the global development agenda.

B. International coordination and cooperation: literacy and other United Nations initiatives

79. The major international education-related initiatives comprise: (a) Education for All and the goals adopted in the Dakar Framework for Action for the period 2000-2015; (b) the United Nations Millennium Development Goals; (c) the United Nations Literacy Decade 2003-2012; (d) the United Nations Decade of Education for Sustainable Development 2005-2014; (e) the United Nations Girls Education Initiative (UNGEI); and (f) EDUCAIDS, the Global Initiative on Education and HIV/AIDS. During the reporting period, the EFA movement focused strongly on literacy through the meetings of its Working Group on Education for All, held in Paris in July 2005, and the High-Level Group, held in Beijing in November 2005, and through the publication and dissemination of the *EFA Global Monitoring Report, Literacy for Life, 2006*.[1] This UNESCO-hosted independent publication has also served to mobilize informed literacy debate through launches held in different regions and countries and through discussions in national and international professional education conferences and in policy development circles. The Decade of Education for Sustainable Development, whose secretariat is housed at UNESCO, has also included literacy and basic education for all age groups in its research agenda. EDUCAIDS, meanwhile, has clear links with literacy programming.

80. The next sections of the present progress report look successively at the lead agency's (UNESCO) progress and challenges and then consider reports provided by two other major international agencies.

C. United Nations Educational, Scientific and Cultural Organization (UNESCO)

81. In addition to its international coordination role for the Literacy Decade, UNESCO is making its own specific contribution to the Decade. That contribution

consists primarily of the recently launched Literacy Initiative for Empowerment (LIFE), 2005-2015. LIFE will be implemented in 35 countries either with a literacy rate of less than 50 per cent or a population of 10 million or more people who lack basic literacy skills. The Initiative is being rolled out over 10 years in three phases. The following 11 countries have been included in the first implementation phase in 2006: Bangladesh, Egypt, Haiti, Mali, Morocco, the Niger, Nigeria, Pakistan, Senegal, the Sudan and Yemen.

82. The Initiative's immediate objectives are fourfold: to reinforce national and international commitment to literacy through advocacy and communication; to support the integration of policies for sustainable literacy within sector-wide approaches and national development frameworks; to strengthen national capacities for programme design, management and implementation; and to enhance countries' innovative initiatives and practices in providing literacy learning opportunities.

83. The immense task of contributing to the achievement of the LIFE objectives in 35 countries calls for well-coordinated partnerships and concerted efforts both at national and international levels. The Initiative will promote partnerships with Governments, civil society, universities, institutes, the donor community, international organizations and the private sector. Experience will be widely shared through existing networks and South-South cooperation.

84. The critical factor for the success of LIFE is the cooperation of the Governments of the participating countries. They remain responsible for national literacy policy, legislation and domestic resource mobilization.

D. Advocating for literacy

1. United Nations Literacy Decade Honorary Ambassador, the First Lady of the United States

85. Mrs. Laura Bush, the First Lady of the United States, was designated the Honorary Ambassador for the United Nations Literacy Decade in 2003 in recognition of her dedication to learning and the promotion of reading, her commitment to universal education and literacy, her work on behalf of libraries and the sharing of knowledge, and her efforts in support of teachers and the teaching profession. A teacher and librarian by training, Mrs. Bush has been promoting education for many years, especially emphasizing the importance of preparing young children to learn to read. She is an outspoken advocate for women's education and for improved learning opportunities for children and adults worldwide. In her role as Honorary Ambassador, she also supports LIFE and calls upon Governments to make education their first priority.

86. In April 2006, Mrs. Bush announced that she will convene a White House Conference on Global Literacy to take place in New York City in September 2006, prior to the opening of the sixty-first session of the United Nations General Assembly. In cooperation with the United States Departments of Education and State, the United States Agency for International Development and UNESCO, the Conference will be looking at effective literacy programmes and connecting countries with the information they need to implement similar programmes. The Conference will also encourage world leaders to become involved in literacy in their

own countries, thereby implementing strategies that support the international goal of Education for All by 2015.

2. UNESCO Goodwill Ambassador, Her Royal Highness the Grand Duchess Maria Teresa of Luxembourg

87. Her Royal Highness the Grand Duchess Maria Teresa of Luxembourg has been a UNESCO Goodwill Ambassador since 1997 with a special interest in microfinance and the education of girls and women the world over. She fosters efforts contributing to their empowerment and helping them to defend their rights. In this way, Her Royal Highness lends her support to projects such as microcredit grants for the improvement of the living conditions of women and their families. Particularly interested in the rights and the development of children, she is actively involved in helping street children. Another major concern of Her Royal Highness is the fight against juvenile prostitution and human trafficking.

88. Her Royal Highness the Grand Duchess Maria Teresa contributed to the UNESCO project entitled "Breaking the Poverty Cycle of Women: Empowering Adolescent Girls to Become Agents of Social Transformation", which benefits adolescent girls in Bangladesh, Nepal, India and Pakistan. About 4,500 adolescent girls have benefited from the project since 2003.

3. UNESCO Goodwill Ambassador, Her Royal Highness the Princess of Hanover

89. Her Royal Highness the Princess of Hanover was designated UNESCO Goodwill Ambassador in 2003 in recognition of her personal commitment to the protection of children and the family and her contribution to the promotion of UNESCO programmes for basic education. Since 2004, she has contributed to the UNESCO project entitled "Strengthening Women's Capacities to Promote Education for Children in Rural Areas in Burkina Faso and the Niger", which aims at realizing the goals of the Education for All initiative to ensure women's autonomy and children's education. The project promotes school enrolment and women's autonomy and combines technical services for early childhood care, health care and education.

E. United Nations Children's Fund (UNICEF)

90. The United Nations Children's Fund has a longstanding commitment to basic education and literacy for children and women, especially since the World Conference on Education for All in 1990. UNICEF considers that one of the most powerful ways to reduce illiteracy in countries is by expanding and improving primary education. In addition to the Literacy Decade and EFA goals and the World Fit for Children goals, UNICEF strongly supports two Millennium Development Goals: (i) universal primary education; and (ii) gender parity and equality in education. These goals form the basis for UNICEF interventions in education.

91. UNICEF provides broad-based support to literacy at country level that varies by region, type of assistance and target groups. The largest number of UNICEF country offices reporting on literacy are to be found in the eastern and southern Africa region, followed by the Middle East and North Africa and then by west and central Africa. Four countries reported in East Asia and the Pacific, four in South Asia and one in central and eastern Europe/the Commonwealth of Independent

States. Reports on initiatives from the Americas region include the Caribbean. In the latter countries, the focus of literacy is to a large extent on early childhood development programmes and young people.

92. Literacy interventions in school-based and non-formal education settings target children, adolescents, young people and adults. UNICEF provides technical and financial support in most cases, often locally recruited, aimed at enhancing policy support, lessons learned and good practice. For example, in Afghanistan, United Nations system agencies jointly support national priorities outlined in the country's National Development Strategy. Jointly, UNESCO and UNICEF support the Afghan Integrated Functional Literacy Initiatives. The programme provides literacy classes for some 30,000 women, including some 990 illiterate women in the insecure southern region; 33 adult learning centres with courses for 19,000 women are planned in 2006. The role of literacy and non-formal education in preventing and mitigating the effects of HIV and AIDS is sometimes a focus in UNICEF-supported literacy programmes. It supports a number of microfinance programmes with literacy components to help reduce poverty and empower people.

F. International Labour Organization (ILO)

93. The International Labour Organization considers that basic education provides youth and adults with the basic skills required for the development of their full capacity to live and work in conditions of freedom, dignity, economic security and equity. ILO contributes to addressing the challenge of the EFA and Literacy Decade goals and the Millennium Development Goals with a view of enhancing employability and improving the well-being of millions of workers. Literacy is a fundamental skill for a person to be able to interact at work and within a community. ILO considers that literacy training works better if embedded in livelihood programmes. Also, ILO has long been involved in the development of functional literacy as part of vocational training and enterprise development programmes, promotion of gender equality in the world of work and other employment promotion-related initiatives, especially those targeting economically vulnerable and socially excluded groups.

G. United Nations Literacy Decade international coordination: strengthening the commitment

94. UNESCO has been called upon by the United Nations General Assembly as well as by its own governing bodies to strengthen its Literacy Decade international coordination and leadership in effectively promoting sustained literacy provision for all age groups. Thus, UNESCO is strengthening its role in state-of-the-art literacy services. Education for All, the United Nations Decade of Education for Sustainable Development and the Literacy Decade will be better integrated and linked to the Millennium Development Goals and other international development agendas, especially but not only those with education goals.

95. Further, UNESCO will continue to ensure that its "Literacy Portal" provides the widest coverage of literacy issues and actors. UNESCO is also responsible for organizing the award of several annual international literacy prizes: the UNESCO International Reading Association Literacy Award (since 1979); the two UNESCO

King Sejong Literacy Prizes (since 1989 by the Government of the Republic of Korea), and the newly created UNESCO Confucius Literacy Prize (offered by China in 2005). The celebration of 8 September as International Literacy Day is often the occasion for the presentation of the laureates of the international literacy prizes and will continue to provide important advocacy for literacy.

VI. Gauging commitment and progress: conclusions and recommendations

96. **Almost four years have passed since the United Nations Literacy Decade was launched. Its effectiveness worldwide shall be examined through a mid-Decade assessment. Decade progress should be measured in terms of the four expected outcomes set: (1) significant progress towards EFA goals 3, 4 and 5 by 2015; (2) attainment by all learners of a mastery level of literacy; (3) creation of dynamic literate environments; and (4) improved quality of life of learners. The UNESCO Secretariat is actively exploring the means to coordinate that mid-Decade assessment with others, such as the progress review for Education for All, in order to engage in a more coherent and less onerous process for Member States. The Asia and the Pacific region is already reporting an EFA progress review which may be linked to the mid-Decade assessment of the Literacy Decade.**

97. **In fact, national as well as international research into and monitoring of educational progress, achievement and measurement of literacy is ongoing. The UNESCO Institute for Statistics and the *EFA Global Monitoring Report* are engaged in improving the measurement of education enrolment and retention, school quality, learning achievement and more context-specific youth and adult literacy skills and competencies. Furthermore, UIS is piloting the Literacy Assessment and Monitoring Project, an adaptation of the International Adult Literacy Survey used to measure literacy competencies in Organization for Economic Cooperation and Development countries, for use in developing country assessments. The advantages and disadvantages of different assessment techniques are also being studied so that countries can make informed decisions about the costs and benefits of standardized assessment methods beyond the traditional self-reporting of literacy skills in the national census.**

98. **Nonetheless, the achievement of Literacy for All will only be possible through integrated and comprehensive education policy, planning and quality provision linking up formal, non-formal and informal education. Success will also depend upon the degree to which all stakeholders collectively work together and on their sustained political and financial commitment. Evidence-based research and more precise and reliable data are needed. The recommendations to be made for the present second biennial progress report largely reiterate earlier ones. Commitments need to be sustained, reinforced and translated into practical action.**

Recommendations

99. **Efforts by all United Nations Literacy Decade stakeholders should continue and be strengthened. To encourage such actions, this second biennial progress report suggests that:**

(a) **Member States should increase their political commitment and financial support to addressing literacy challenges and to achieving the Literacy Decade goals, in the knowledge that the lack of such commitment and support is directly and indirectly having a negative impact on development as a whole, and more specifically on socio-economic growth and poverty eradication;**

(b) **Member States should make further efforts to enhance partnership with all domestic and international Literacy Decade stakeholders. To that end, Member States should develop and implement integrated education policies and programmes giving priority to literacy throughout formal and non-formal education;**

(c) **The international community should increase financial and technical support to enable Member States to attain the four expected outcomes set down in the Literacy Decade and its International Plan of Action. This support should be aligned with other international and country-led initiatives such as the Millennium Development Goals, Education for All, the EFA Fast-Track Initiative, UNGEI, LIFE and EDUCAIDS, as well as with regional processes such as conferences of ministers of education held in each region;**

(d) **The international community should reinforce UNLD advocacy by capitalizing on the *Education for All Global Monitoring Report, Literacy for Life, 2006*, the Final Communiqué of the fifth EFA High-Level Group meeting, held in Beijing in November 2005, and the Monterrey Declaration made at the sixth E-9 Ministerial Review Meeting, held in February 2006;**

(e) **UNESCO should enhance its role in coordinating and catalysing Literacy Decade action at international level. As the lead coordinating agency, UNESCO should prepare and conduct the mid-Decade review in collaboration with all Literacy Decade partners during 2007 and 2008, the results of which should be submitted to the United Nations General Assembly in September 2008.**

Table 1

Estimated number of adult illiterates (population age 15 and over) 1990, 2000 and 2015
UNESCO Institute for Statistics (UIS), April 2006

	1990		2000-2004		2015		Percentage change	
	Total (millions)	Percentage females	Total (millions)	Percentage females	Total (millions)	Percentage females	1990-2000	2000-2015
World	874	63.1	771	64.5	684	64.7	-10.6	-12.5
Developed countries	15	64.0	10	62.4	9	75.4	-33.3	-5.9
Countries in transition	2	72.7	1	75.7	1	60.9	-23.7	-55.5
Developing countries	857	63.0	770	64.0	674	64.5	-10.2	-12.5
Arab States	64	63.0	58	66.5	55	67.4	-9.2	-4.7
Central and Eastern Europe	11	74.9	9	78.9	7	78.1	-18.9	-26.3
Central Asia	1	78.8	0	72.5	0	58.0	-32.8	-40.4
East Asia and the Pacific	233	69.1	125	70.7	81	70.6	-46.1	-35.6
East Asia			124	70.9	79	71.0		-36.2
The Pacific			2	56.8	2	53.6		-16.1
Latin America and the Caribbean	42	56.6	39	55.0	26	54.1	-7.8	-32.0
Caribbean			3	51.5	1	46.1		-65.0
Latin America			36	55.3	25	54.5		-29.3
North America and Western Europe	13	63.6	7	60.6	2	63.0	-36.8	-66.1
South and West Asia	380	60.5	399	63.4	345	66.0	5.0	-13.7
Sub-Saharan Africa	133	60.8	144	61.1	168	59.2	8.5	16.8

Table 2

Estimated adult literacy rate (population age 15 and over) by gender, 1990, 2000 and 2015
UNESCO Institute for Statistics (UIS), April 2006

	Adult literacy rates (percentage)								
	1990			*2000–2004*			*2015*		
	Total	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*
World	75.4	81.8	69.1	82.1	87.1	77.1	87.2	90.9	83.5
Developed countries	98.0	98.5	97.5	99.4	99.7	99.2	99.1	99.5	98.7
Countries in transition	99.2	99.6	98.8	98.8	99.0	98.5	99.7	99.7	99.7
Developing countries	67.0	75.9	57.9	76.8	83.5	70.1	83.6	88.4	78.8
Arab States	50.0	63.7	35.6	66.4	77.0	55.3	78.5	86.3	70.5
Central and Eastern Europe	96.2	98.0	94.6	97.2	98.7	95.8	97.9	99.0	96.9
Central Asia	98.7	99.4	98.0	99.3	99.6	99.0	99.6	99.7	99.6
East Asia and the Pacific	81.8	88.9	74.5	91.7	95.2	88.2	95.5	97.3	93.6
East Asia				91.7	95.2	88.1	95.5	97.3	93.6
The Pacific				93.3	94.2	92.5	93.4	93.8	93.1
Latin America and the Caribbean	85.0	86.7	83.3	89.7	90.5	89.0	94.3	94.6	94.0
Caribbean				70.1	70.1	70.2	96.7	96.5	97.1
Latin America				90.3	91.1	89.5	94.2	94.6	93.9
North America and Western Europe	97.9	98.4	97.4	98.8	99.0	98.5	99.6	99.7	99.5
South and West Asia	47.5	59.7	34.4	58.7	70.5	46.3	68.1	78.2	57.9
Sub-Saharan Africa	49.9	60.0	40.3	61.2	69.5	53.3	67.3	73.3	61.3

Table 3

Nine countries with high illiteracy: trends and projections to 2015
UNESCO Institute for Statistics (UIS), April 2006

	Adult literacy rates					Adult illiterates				
	(Percentages)			Percentage changes		(Millions)			Percentage changes	
	1990	2000-2004	2015	1990-2000	2000-2015	1990	2000-2004	2015	1990-2000	2000-2015
Bangladesh	34.2					40				
Brazil	82.0	88.6	93.7	8.0	5.7	17	15	10	-13.3	-34.6
China	78.3	90.9	95.7	16.1	5.3	181	87	49	-52.0	-43.9
Egypt	47.1	71.4	76.0	51.6	6.4	17	14	15	-18.4	2.2
Ethiopia	28.6					20				
India	49.3	61.0	69.7	23.7	14.2	273	268	275	-1.7	2.4
Indonesia	79.5	90.4	95.2	13.7	5.4	24	15	9	-36.5	-41.7
Nigeria	48.7					25				
Pakistan	35.4	49.9	61.2	40.9	22.9	41	49	49	19.6	1.2

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Macroeconomic policy questions: external debt crisis and development

Recent developments in external debt

Report of the Secretary-General

Summary

The present report, submitted in compliance with General Assembly resolution 60/187, contains a review of the recent developments in the external debt of developing countries, against the backdrop of favourable global market conditions. It also contains analyses of the implementation of the Heavily Indebted Poor Countries and Multilateral Debt Relief Initiatives and the financing problematic for low-income countries. The policy conclusions address the challenges related to private debt flows and to the financing of development in low-income countries.

* A/61/50 and Corr.1.

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I. Introduction

1. The present report is prepared for the consideration of the General Assembly, in compliance with the request made by the Assembly in paragraph 26 of its resolution 60/187. It contains a review of the implementation of the resolution in the light of a comprehensive and substantive analysis of the external debt of developing countries.

II. Recent trends in external debt

2. The total external debt of developing countries in 2005 is estimated at $2.8 trillion, an increase of 1.6 per cent as compared with 2004 (the lowest rate of growth since 2000). As gross national income (GNI) in nominal dollar terms for the group of developing countries as a whole was growing at a rate far exceeding 1.6 per cent in 2005, the ratio of total external debt to GNI would be below 34 per cent, the level reached in 2004. Likewise, buoyant exports would bring down the ratio of debt to exports to below 88 per cent, the level reached in 2004.

3. The significant slowdown in the accumulation of external debt was due primarily to a decrease in the stock of debt of Latin America and the Caribbean as a result of debt renegotiations involving debt reductions and debt buy-backs or prepayments. Sub-Saharan African countries also had their stock of debt reduced, mostly as a result of the implementation of the Heavily Indebted Poor Countries (HIPC) Initiative.

4. Factors which contributed to the improvement in the external debt position of developing countries are manyfold. First, favourable conditions characterizing the global economy since the beginning of the decade enhanced the export performance of developing countries and significantly lowered their cost of borrowing on capital markets. Secondly, the composition of external capital flows to developing countries has evolved towards more reliance on non-debt creating flows, mostly foreign direct investment (FDI). Lastly, developing countries increasingly switched to domestic debt as a source of finance for the public and private sectors.

5. Most notable was the remarkable improvement in the current account of developing countries owing to their export performance. Since 2000, developing countries have been running a current account surplus that keeps growing every year (the estimated surplus in 2005 is five times higher than the surplus in 2000). Of all the regions, East Asia accumulated the highest surplus, followed by the Middle East and North Africa. Accompanying the current account surpluses was a significant increase in the stock of foreign exchange reserves held by developing countries, which reached $2 trillion by the end of 2005. Reserve build-ups result mainly from foreign exchange interventions to minimize the impact of inward flows of foreign exchange on exchange rate appreciations. There is also an implicit willingness to build up reserves as an insurance against future fluctuations of capital flows. Over the last three years, many debtor countries used their reserves or borrowed on favourable conditions on capital markets to repay their debts to the Paris Club, buy back their Brady bonds or extend the maturity of bonds through bond exchanges. The availability of liquidity thus allowed debtors to implement an active debt management strategy to reduce the stock of debt, lower its cost and extend its maturity.

6. At the same time, the composition of capital flows to developing countries has fundamentally changed. Private flows increasingly represented the bulk of net capital flows and FDI, as a non-debt creating flow, has become the largest source of external capital (almost 80 per cent in 2005). Likewise, net debt flows are predominantly of private origin, as flows from official creditors became increasingly negative since 2003.[1]

7. The reduction in external debt was compensated by an increase in domestic debt in all regions. Domestic debt has steadily grown over the last 10 years, alongside the development of domestic debt markets in developing countries. The switch from external to domestic debt was the most pronounced in Asia, resulting from a rebalancing of debt in the aftermath of the 1997-1998 financial crisis. The ratio of domestic to external debt in that region rose from 1.0 in 1997 to almost 3.0 in 2002.[2] In Latin America, the ratio of domestic to external debt also rose from 1.35 in 1997 to 1.54 in 2002, with Mexico and Brazil holding the largest shares of domestic debt.[3] In the Middle East and North Africa, domestic debt rose from 18 per cent of gross domestic product (GDP) in 1995 to 47 per cent in 2002.[4] In sub-Saharan Africa, excluding South Africa, domestic debt grew from 11 per cent of GDP in the early 1980s to 15 per cent by the end of the 1990s.[5]

8. While the overall external debt situation of developing countries as a group looked much improved, this masks the debt problems faced by individual countries or groups of countries. Many middle-income countries in Latin America, Asia and Eastern Europe still have very high ratios of external debt to GDP, while running large current account deficits. Other countries whose debt levels appear manageable are rapidly accumulating debt because of persistent current account deficits. For the low-income countries in sub-Saharan Africa, the solution to their financing problems does not seem to be within reach. Many of the heavily indebted poor countries that have reached completion points have seen their indebtedness increase dangerously and about half of eligible countries have yet to benefit from debt relief under the HIPC Initiative.

9. Moreover, many of the favourable conditions in the global economy which have supported developing countries' growth over the last five years risk being reversed in the near future. The continuing rise in oil prices can ignite inflation which may trigger interest rate rises in the major countries of the Organization for Economic Cooperation and Development (OECD). In the most vulnerable oil-importing countries, current account deficits may worsen, entailing significant increases in external debt. The adjustment to global imbalances may induce increases in interest rates and, consequently, a rebalance of investors' portfolios towards mature markets at the expense of developing countries. This would also put an end to the historically low levels of bond spreads for developing country borrowers. A disorderly resolution of global imbalances might reduce global growth and weaken non-oil commodity prices and export performance of developing countries, as well as their capacity to service debt.

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[1] Net official debt flows on long and medium term amounted to -$12.3 billion in 2003, -$28.7 billion in 2004 and -$71.4 billion in 2005.

[2] World Bank, *Global Development Finance 2005* (Washington, D.C., 2005), p. 78.

[3] Ibid., p. 80.

[4] Ibid., p. 86, footnote 7.

[5] Jacob Christensen, "Domestic Debt Markets in Sub-Saharan Africa", in *IMF Staff Papers* (Washington, D.C., International Monetary Fund, 2005), vol. 57, No. 3, pp. 518-538.

10. Finally, another risk might come from the servicing of an ever-increasing stock of FDI. Indeed, profit remittances from FDI are taking up a larger share of current account income payments from developing countries. In 2005, profit remittances represented 57.3 per cent of total income payments, exceeding by far interest payments on debt. Profit remittances are on a rising trend, growing annually by 11 per cent since 1980 (as compared with 4 per cent in the case of interest payments). This could exert pressure on the current account of host countries, especially in situations where FDI is mostly geared towards domestic rather than export markets.

III. Bonds debt

A. Foreign currency bonds

11. The composition of external long-term debt has also changed significantly. Bonds have assumed increasing importance, as the volume of international bond issuance by developing countries more than doubled between 2001 and 2005. Debt flows from commercial banks which turned negative in the aftermath of the Asian financial crisis have also resumed strongly during the last two years.

12. Although still concentrated within a relatively small number of borrowers, the distribution of bond and bank finance has become more diffused over the last two years. Access to the bond market remained more restrictive and is conditional on investment-grade rating by the recognized credit rating agencies. Traditionally, the cost of bond borrowing exceeded that of bank borrowing; however, the cost difference narrowed substantially in 2005 owing to the historically low levels of bond spreads and of the underlying benchmark long-term rate. Accommodative monetary policy in major OECD countries supported an environment of ample liquidity and low interest rates in global financial markets. For example, the average yield on the 10-year United States Treasury bond decreased from 6.0 per cent in 2000 to 4.0 per cent in 2003 and 4.3 per cent in 2005. During that period, interest rates also declined in the euro-zone and in Japan.

13. The low levels of bond spreads for emerging markets reflected their enhanced creditworthiness, which was driven by the improvement in a number of key economic indicators, such as stronger current account positions, lower fiscal deficits and improved regulations of domestic financial markets. Emerging market borrowers issued $182 billion in bonds in 2005, compared to $89 billion in 2001.

14. The large aggregate issuance of new bonds was accompanied by structural improvements in the external debt position of emerging markets, as a few countries[9] prepaid large portions of their external debt, mainly through the repurchase of Brady bonds, and improved the maturity structure of their debt portfolio through the issuance of longer-maturity bonds. The combination of lower borrowing costs, a better maturity structure of debt portfolios and a strong growth performance resulted in credit rating upgrades for a large number of emerging markets. This has further broadened the investor base, opening the way for pension funds and insurance companies from developed countries to increase the share of emerging market debt in their portfolios.

[9] Brazil, Colombia, the Bolivarian Republic of Venezuela and Turkey.

15. The increase in the outstanding stock of bond debt during the period 2003-2005 has largely been driven by the issuance of new bonds by the emerging markets' corporate sector, primarily in Eastern Europe, Latin America, South Asia and South Africa. Governments need to watch closely their private sector's borrowing in order to avoid the risk that corporate borrowing become contingent liabilities for Governments in the future. In the aftermath of the Asian crisis those contingent liabilities were very costly for Governments.

16. The sustainability of the recent trends needs to be assessed against the background of the global shift towards more restrictive monetary policies in the second quarter of 2006 and the waning of investors' risk appetite. Although the sustainability of emerging market borrowers does not seem to be at risk at present, the debt servicing burden for developing countries is likely to increase next year, as the maturing bonds will need to be rolled over against new issues carrying a higher coupon.

17. The high (negative) correlation between flows to emerging markets and interest rates in developed markets, in particular the United States interest rates, has already been observed during the previous cycles. The data on emerging market bond issuance for the latter part of 2005 and early 2006 would seem to indicate that some borrowers have anticipated the likelihood of higher interest rates and yield spreads for the period 2006-2007. In some instances, sovereign issuers have taken advantage of the low borrowing costs in 2005 and early 2006 to pre-finance their borrowing needs up to six months in advance, thus capping their debt servicing at lower levels than they would have been had the bonds been issued at a later stage. If the additional data on borrowing practices by sovereigns for the period 2005-2006 confirms that there was a conscious strategy of issuing in advance to hedge the risk of interest rate increases, it would indicate a growing sophistication of developing countries in managing their external debt portfolio with a view to reducing vulnerability to cyclical changes in global monetary policies.

18. Attention has recently been given to the use of GDP-indexed bonds to address the procyclicality problem of capital flows. In order for borrowers to benefit fully from GDP-indexed bonds, such bonds should contain a clause for linking debt servicing to the level of economic activity, such that in times of high growth and high government revenues, debt servicing would be higher, whereas the opposite would hold during recessions. However, the recent experience of countries that have issued GDP-indexed bonds[7] shows a different structuring of those instruments, where debtors issued bonds with attached warrants giving investors the right to obtain higher payouts if GDP growth exceeded a certain threshold, but there was no mechanism for diminishing payments below the original coupon if GDP growth dropped below some predetermined level. Although it could be argued that investors are willing to accept a lower initial coupon if there is an attached option for higher payouts in the event that economic performance is strong in the future, there is no empirical evidence to support that argument. In particular, at a time of rising global interest rates, investors' expectations of future global GDP growth are revised downwards, lowering the value of options linking higher payouts to higher GDP growth, therefore reducing the attractiveness of such bonds to potential buyers. Further complicating the possibility to expand the use of fully GDP-linked bonds are the recognized difficulties of pricing such instruments (besides statistical

[7] Argentina in the aftermath of the debt restructuring in 2005 and Bulgaria in 1994.

problems of measuring GDP), not only at the time of issue, but also, in particular, during the lifetime of the bond. Such pricing difficulties could limit the possibility of creating a buoyant secondary market for such instruments, therefore limiting the liquidity of such bonds.

B. Domestic currency bonds

19. The local currency bonds markets have also rapidly expanded, although the depth, liquidity and type of instruments traded in those markets differ greatly between regions. In sub-Saharan Africa, bonds issued by Governments are of short maturity and carry higher interest rates than international loans. The rollover risk could create deep crisis for Governments if failure to refinance the debt obligation leads to expenditure cuts. Moreover, given that the investor base in sub-Saharan Africa is very narrow and dominated by commercial banks, private enterprises risk being crowded out from loan markets.

20. In Asia and Latin America, the stock of local currency bonds has increased more than fourfold in the last 20 years. This has been supported by increased depth and liquidity in the local capital markets, while the maturity profile of the debt is estimated to be seven times longer than in sub-Saharan countries. The investor base in Asia and Latin America is much broader than in Africa, with a large number of domestic institutional investors actively participating in the debt market. The steady improvement of emerging market credit ratings as well as the strong current account position of commodity exporting countries has attracted international investors willing to purchase domestic currency bonds, thus further broadening the investor base. Besides the benefits of raising funds in the domestic currency, allowing foreign participation improves the breadth and depth of the local capital market and is likely to lead to the improvement in business practices under the pressure from foreign investors to raise the level of transparency and efficiency in line with international practices. However, large and unrestricted flows of capital into local markets may limit the Government's ability to channel foreign purchases into the longer segment of the maturity curve, which could lead to the bundling of investments on the short end and increase rollover risks in the event of a sudden liquidity drawdown. The recent change in the international interest rates and increased investors' risk aversion point to some of those risks, as it has recently been reported that some outflows of investment from emerging markets have induced currency depreciations.

21. In some countries that apply financial or administrative disincentive measures with regard to foreign participation in domestic markets, Governments have opted for the issuance of local currency bonds in the international capital markets. Such a policy gives international investors access to higher yields and issuing countries the protection against currency risk, while calibrating the maturity structure of the debt held by foreign participants. Moreover, a sudden closure of positions by investors will have no impact on the exchange rate, as bonds will be sold to other foreign investors. However, the disadvantage of issuing local currency bonds in international markets is that there are no benefits for the development of domestic capital markets that are usually associated with the active involvement of foreign investors. Several Latin American countries (Colombia and Brazil in particular) and the Russian Federation have issued large amounts of bonds denominated in local currency in the international capital markets.

C. Credit rating agencies

22. The new financial architecture of the twenty-first century is dominated by private investors and credit rating agencies are likely to play a critical role, as they hold the key to access the private capital markets.[8] The role of credit rating agencies has recently received a boost from regulators in the context of the ongoing revision of the Basel minimum capital requirements for banks by the Basel Committee on Banking Supervision, culminating in what is now referred to as Basel II, which grants the agencies an explicit role in the determination of risk weights on bank lending.

23. Credit rating agencies, by expressing "opinions" on the creditworthiness of borrowers based on information gathered and analysed by those agencies, assist investors in solving the informational asymmetry vis-à-vis borrowers. Their "opinions" exert a powerful influence on the decision by investors to invest in instruments issued by borrowers that have received "investment grades" and to lower the lending spreads on bonds issued by "good" clients. Credit rating agencies have contributed, at times, to deepen the booms and busts of capital flows.

24. Although the investment community and borrowers, either sovereign or corporate,[9] accept the credit rating agencies' role as "opinion makers", not much is known about the methodologies used by such agencies to assess borrowers' creditworthiness and the probability of default. In trying to identify the determinants of ratings and the variables used by credit rating agencies, economists and external observers found that the agencies generally use economic variables which are divided in three categories: (a) measures of domestic economic performance; (b) measures of a country's external position and its ability to service its external obligations; and (c) the influence of external developments. Overall it is found that credit rating agencies lack transparency and their methodology is opaque. The critical role of the agencies in addressing the problem of information asymmetry would require that rating methodologies be made more transparent.

25. Another concern is that countries may implement policies that address rather the short-term concerns of portfolio investors in order to avoid a downgrading of their rating, while not necessarily taking into account their long-term development needs (for example, by applying restrictive monetary policies to increase interest rates during periods of economic slowdown or slack of investment). A better understanding of variables and policies underlying a rating grade could initiate a constructive dialogue between borrowers and investors and contribute to develop a longer-term view on the enabling conditions for investment. Transparency would also help to redress failures, as it was found that the predictive power of ratings has not always been infallible on many occasions.[10]

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[8] The present section is based on an analysis contained in a paper prepared by UNCTAD: "Rating the Credit Rating Agencies and their Potential Impact on Developing Countries", forthcoming. The paper is prepared pursuant to paragraph 13 of General Assembly resolution 60/186 on the "International financial system and development".

[9] In order to issue bonds on international capital markets, sovereign and corporate borrowers need to obtain a rating from credit rating agencies.

[10] In the event of the Asian financial crisis, both credit rating agencies and markets failed to predict the crisis. Likewise, the recent Enron and WorldCom bankruptcies have revealed important shortcomings of the credit rating system.

26. Another issue raised by the current rating system is the lack of competition, as the system is dominated by two major agencies (Moody's and Standard and Poor's) and one smaller player (Fitch). Although lack of competition may be due to factors related to the reputation, credibility and consistency of the credit rating agencies to which users attach importance, regulatory restrictions in capital market countries may have played a role.[11] The question is whether increased competition between a greater number of agencies would produce the desirable effects of reducing the cost and enhancing the transparency and accuracy of ratings.

27. The question of accountability has also been raised. Despite the enormous influence exerted by credit rating agencies, it is not clear to whom the agencies are accountable. To some extent, it can be argued that the interests in preserving reputation and credibility are incentives to generate quality financial information. Nevertheless, the International Organization of Securities Commissions has issued a Code of Conduct Fundamentals for Credit Rating Agencies, focusing on: (a) the quality and integrity of the rating process; (b) agency independence and the avoidance of conflicts of interests; (c) agency responsibilities to the investing public and issuers. This can be considered as a useful first step to "codify" the practices of credit rating agencies.

IV. Paris Club debt renegotiations

A. Recent cases

28. During the period from mid-2005 to mid-2006, there were eight Paris Club meetings, four for HIPCs and four for non-HIPCs. In September 2005, Burundi reached the decision point and was granted interim relief under Cologne terms. Also in September 2005, a renewed agreement granting Cologne terms was reached for Sao Tome and Principe, which had reached the decision point in 2000, but had its International Monetary Fund (IMF) programme derailed in 2001. In March 2006, the Congo's debt was treated under Cologne terms after it had reached its decision point. Cameroon reached its completion point in April 2006 and received, in June 2006, a substantial reduction of almost 100 per cent of its Paris Club debt.

29. The other four meetings treated the debts of the Dominican Republic and Grenada under classic terms, Moldova under Houston terms, and Nigeria, which obtained ad hoc treatment.

30. The Nigerian case has a number of unique features. It is the first country to use the newly established Policy Support Instrument of IMF, which permits the Fund to monitor a country's economic reform process in the absence of an IMF lending programme. Nigeria is also the first country that successfully incorporated Millennium Development Goals as part of its debt sustainability analysis. The agreement reached with the Paris Club has allowed Nigeria to be the first African country to exit the Paris Club through a combination of prepaying part of the debt and obtaining a debt cancellation on the remaining amounts. Under the agreement

[11] In the United States, for example, the Nationally Recognized Statistical Rating Organization (NRSRO) has, in fact, according to the United States Department of Justice, acted as a barrier to entry in a catch-22 manner: a new rating agency cannot obtain national recognition without NRSRO status without national recognition.

reached with Paris Club creditors, in the first phase, Nigeria cleared all its arrears to the Paris Club, amounting to $6.3 billion, and creditors cancelled 33 per cent of eligible debt. In the second phase, Nigeria paid all its post-cut-off date debt, creditors cancelled another 34 per cent of pre-cut-off date debt and Nigeria bought back the remaining amounts of pre-cut-off debt.

31. In 2006, up to the end of June, the following additional countries cleared at par their remaining debt with the Paris Club: Brazil (for $2.6 billion); Algeria (for $7.9 billion); and the Russian Federation (for $22 billion).

B. Debt swaps

32. The Paris Club introduced the debt swap clause in 1990 for lower-middle-income countries under the Houston terms and extended it to low-income countries in 1991. The current limits on debt swaps within the Paris Club are 20 per cent of the outstanding amount, or up to SDR 30 million for non-official development assistance (ODA) credits,[12] and 100 per cent of ODA loans.

33. Paris Club debt conversions can be conducted either through direct agreement between the creditor and the debtor or indirectly through an intermediary investor (a non-governmental organization most of the time) which buys the debt at a discount. The problem with the second option is to agree on the discount: in the absence of the secondary market for such debt, it is difficult to determine the correct price. Most of the projects financed by Paris Club debt swaps are so far destined to environmental protection. It is to be noted that the debt swap clause has not been used up to the limits allowed, because of the lack of projects that can be funded. If an agreement could be reached to use debt swaps for the financing of projects helping debtors to reach Millennium Development Goals, it is expected that debt can be swapped up to the statutory limit, or beyond (as permitted by bilateral agreements).

V. Debt relief for heavily indebted poor countries

A. Progress under the Heavily Indebted Poor Countries and Multilateral Debt Relief Initiatives

34. During the first half of 2006, the Congo reached the decision point and Cameroon the completion point. For the period 2004-2006, only Burundi (August 2005) and the Congo (2006) had reached the decision point, reflecting a marked drop in progress with respect to the remaining countries that have yet to be considered under the Initiative. Thus far, only 19 countries,[13] i.e. less than half of those eligible, have reached the completion point under the enhanced HIPC Initiative and 10 HIPC countries[14] remain in the interim stage between decision and completion points under the Initiative.

[12] The debtor can choose the more beneficial option.

[13] Benin, Bolivia, Burkina Faso, Cameroon, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mauritania, Mozambique, Nicaragua, the Niger, Rwanda, Senegal, Uganda, the United Republic of Tanzania and Zambia.

[14] Burundi, Chad, the Congo, the Democratic Republic of the Congo, the Gambia, Guinea, Guinea-Bissau, Malawi, Sao Tome and Principe and Sierra Leone.

35. For countries that have yet to participate under the enhanced HIPC Initiative, the Boards of the International Development Association (IDA) and IMF extended the "sunset clause" under the enhanced Initiative to the end of 2006. IMF and the World Bank have identified 11 countries, including 4 new ones (Eritrea, Haiti, Kyrgyzstan and Nepal), that are potentially eligible under the extended clause. Of the 11 eligible countries, 5 (Comoros, Eritrea, Liberia, Somalia and the Sudan) have yet to start a Fund and IDA-supported programme and would be required to do so before the expiration of the sunset clause. The amount of assistance is estimated to be $21 billion, in 2004 net present value (NPV) terms, for the 11 eligible countries. The largest share, approximately 73 per cent of the total cost,[15] is attributed to the protracted arrears of Liberia, Somalia and the Sudan.

36. In a final push to resolve the debt problem of the poorest countries, in July 2005, the Group of Eight (G8) announced the Multilateral Debt Relief Initiative (MDRI), which provides 100 per cent debt cancellation of claims from IMF, IDA and the African Development Fund for HIPCs that have graduated from the HIPC Initiative. The objective of the G8 proposal is to complete the HIPC debt relief process by freeing additional resources to support countries' efforts to achieve the Millennium Development Goals. It is estimated that MDRI will reduce the NPV debt to export ratio from 140 per cent post-HIPC relief to an approximate 52 per cent.[16]

37. The modalities of eligibility and delivery of the assistance under MDRI will vary among the multilateral organizations. IMF has included two non-HIPCs in the pool of eligible countries to receive debt relief, as it is required to apply the principle of uniformity of treatment across all countries. Accordingly, eligibility for debt relief from IMF will be extended to HIPCs and non-HIPCs with per capita income of $380 or less, to be funded by the profits from the 1999-2000 off-market sales of IMF gold, which will be transferred to a special trust fund, MDRI-I Trust. HIPCs with income levels above that threshold are also eligible to receive the MDRI relief, to be financed from the remaining pool of funds in the MDRI-II Trust received from existing bilateral contributions to the Subsidy Account. Details of the delivery across the three multilateral institutions are summarized below.[17]

[15] IMF, Public Information Notice No. 06/41, 18 April 2006.

[16] Development Committee, Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund, "Note on the G-8 Debt Relief Proposal: Assessment of Costs, Implementation Issues and Financing Options", 21 September 2005.

[17] Based on information posted at varying dates: IMF, May 2006; IDA, June 2006; African Development Fund, April 2006.

Multilateral Debt Relief Initiative

Organization	*Presently eligible countries*	*Potentially eligible countries*	*Total estimated cost (billions of United States dollars)*	*Cut-off date*	*Implementation date*	*Delivery period*
IMF	21[a]	21	Over 5	1 January 2005	5 January 2006	One time
IDA	19[b]	21	37	31 December 2003	1 July 2006	40 years
African Development Fund	15[c]	18	5.8	31 December 2004	1 January 2006*	50 years

* Will be applied retroactively from July 2006.
[a] Completion point HIPCs plus Cambodia and Tajikistan.
[b] Completion point HIPCs.
[c] African completion point HIPCs.

B. Assessing the impact of the Heavily Indebted Poor Countries Initiative

38. For the 27 countries that reached the decision and completion points under the enhanced HIPC Initiative by 2004 (the latest year for which data on debt relief are available), the evolution of their debt indicators has shown a clear improvement: the overall ratio of total external debt to GNI declined from 143.0 in 1995 to 115.8 in 2000 and 86.8 in 2004. The nominal stock of debt of the 27 countries was, however, roughly the same in 2004 ($111.1 billion) as in 1995 ($114.7 billion), although the concessionality of debt has increased, in terms of longer maturity and lower interest rates.[18] The percentage share of multilateral debt was also higher (as a great part of bilateral debt has been forgiven). While not all multilateral debt is eligible for cancellation under MDRI, it is expected that completion point countries will benefit from further reduction of their debt.

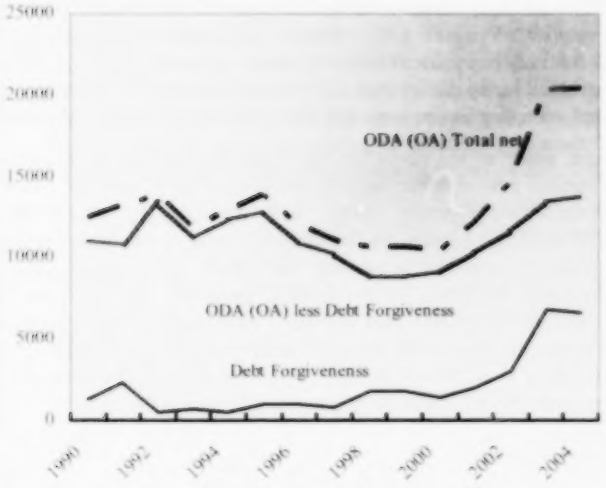
Additionality

39. A key principle of the enhanced HIPC Initiative was that the provision of debt relief would be used to free additional resources for increased public expenditures, which was based on the understanding that such relief would be in addition to existing aid. In order to measure the additionality of debt relief to aid levels, the volume of aid including debt forgiveness was compared with the volume of aid excluding debt forgiveness.

[18] See UNCTAD, *Trade and Development Report 2006*, chap. III, sect. C, forthcoming.

Additionality of Debt Relief

27 HIPC Decision Point Countries, millions of US dollars



Source: OECD Development Assistance Committee database 2006.

40. For the 27 HIPC countries having reached decision or completion points by 2004, what is striking is the sharp decline in aid (less debt forgiveness) from the pre-HIPC Initiative levels in 1992 (when no debt relief was recorded) to the low levels in 1999-2000. The trend, which was reversed in 2001, was followed by a continual rise in aid. In 2003 and 2004, the nominal levels of ODA less debt forgiveness were slightly higher than the pre-HIPC level in 1992, revealing, thus, that the increase in ODA in 2004 was mostly attributed to debt relief during those years. The declining and subsequent rising trend of ODA less debt forgiveness certainly raises doubts as to whether the principle of additionality was fulfilled throughout the course of the Initiative.

Social expenditures/government budget

41. At the 1999 Annual Meeting of IMF and the World Bank, it was decided to make "country-owned" poverty reduction strategies a basis for future lending and for the implementation of the enhanced HIPC Initiative. Accordingly, aside from the aim of providing debt relief to eliminate the debt overhang of HIPCs, the enhanced Initiative also sought to provide countries with additional fiscal space to increase social expenditures for poverty reduction.

42. For the decision-point HIPCs, since 1999 there has been a rise in poverty reduction expenditures under the enhanced Initiative in parallel to reductions in debt service, as measured as a ratio to government revenue.[19] This is not surprising, as the provision of such expenditures was incorporated into the poverty reduction

[19] Ibid.

strategy paper process. However, despite the increase in those expenditures, the additional resources resulting from debt relief remain below what is needed for those countries to achieve the Millennium Development Goals.

43. Although debt relief has contributed to an increase in social spending, in the end, the Government may simply swap one type of spending commitment (debt service) for another of equal value. Hence, the question arises as to whether countries gain the necessary fiscal space to make optimal policy decisions that are conducive to greater economic growth or whether conditions under the programme create additional spending constraints and liabilities for those Governments.

44. In addition, many of the countries that have reached the decision point under the enhanced Initiative have achieved only modest progress towards achieving some of the Millennium Development Goals, with the majority of countries falling considerably short of the targets set for 2015.[20] As a group, those countries have made some progress towards achieving the goals under gender equality and improved sanitation facilities, with modest progress towards reducing child mortality, although it should be noted that individual country performance is widely varied. Much work remains in the area of hunger, universal primary education and infectious diseases. It is evident that those countries will require a sizeable increase in development assistance in order to achieve the targets set for 2015.

Debt overhang and growth

45. The rationale behind the original HIPC Initiative, in 1996, was motivated by the debt overhang literature that asserts that higher levels of debt negatively impact growth and investment.[21] In order to eliminate the debt overhang, the Initiative sought to provide a permanent exit from the repeated debt rescheduling process through the reduction of the stock of debt.

46. Ten years following the launch of the HIPC Initiative, it is clear that it did not succeed in meeting all of its anticipated goals. The process for countries to benefit from the Initiative has proved to be lengthy and slow, and was characterized by complexities that burdened countries' already weak institutions. While the HIPCs as a group have made progress with regard to the performance of a number of debt indicators, such as debt service to exports and debt service to government revenue, the debts of a number of completion point countries have rapidly increased to pre-HIPC levels. According to World Bank estimates, based on 2003 NPV debt ratios of 13 countries for which data is available, the debt ratios of 11 countries have deteriorated and 8 of those countries have exceeded the sustainability thresholds. Moreover, one third of the completion point countries[22] are projected to exceed the sustainability thresholds over the medium term of the post-completion period.[23]

47. In theory, the removal of debt overhang should allow countries to direct the additional resources towards public expenditures aimed at reducing poverty and fostering greater economic growth. Looking at the experiences of the 27 countries

[20] Ibid.

[21] For extensive literature review, see Patillo, Catherine, Helene Poirson and Luca Ricci, "External Debt and Growth", IMF Working Paper WP/02/69, April 2002.

[22] Burkina Faso, Ethiopia, Guyana, Nicaragua, Rwanda and Uganda.

[23] World Bank, "Debt Relief for the Poorest: An Evaluation Update of the HIPC Initiative", Independent Evaluation Group, World Bank, Washington, D.C., 2006, pp. 18-19.

mentioned above, after a steep decline from 1996 to 1999, GDP growth fluctuated from year to year, increasing in 2000, decreasing in 2001, and showing a rising trend from 2002.[24] It is difficult to draw a clear-cut conclusion that the latest increase in GDP growth was made possible by debt reductions, as during that period, countries benefited from the favourable world economic environment and, consequently, buoyant commodities exports. What is encouraging is the steady increase in the average number of commodities exported by the decision point countries, as well as the rising share of exports to GDP when measured as a group. Indeed, those countries experienced the steepest rise in the average number of commodities exported in the period preceding the HIPC Initiative, from 1988 to 1996, which was then followed by positive per capita growth rates.

C. Financing development beyond the Heavily Indebted Poor Countries Initiative

48. The Millennium Declaration calls for national and international efforts to achieve a comprehensive and effective solution to the debt problems of low and middle-income developing countries, with the aim of making their debt sustainable in the long term. Indeed, there is a clear intention by the international community to avoid another costly round of debt relief. Accordingly, the World Bank and IMF have formulated a framework for prudential lending and borrowing in the future based on the principle of a country's "capacity to pay".

49. The objective of the framework is to operationalize debt sustainability analysis for low-income countries by guiding the decisions of borrowers and creditors based on such considerations as debt burdens and repayment capacity, the "quality" of institutions and policies, and projections of a country's debt dynamics, with the aim to combine rules and discretion in the management of financing decisions.

50. The new framework by IMF and the World Bank[25] identifies debt sustainability thresholds for low-income countries, which vary depending on the strength of institutions and the quality of policies in the country, as measured by the World Bank's Country Policy and Institutional Assessment (CPIA) index. That framework has moved away from the "one size fits all" approach of applying debt indicators and has tailored debt thresholds to more country-specific considerations. While that is clearly an improvement over the unique debt sustainability indicators under the HIPC Initiative, the debt sustainability analysis framework is still open to questions.

51. One concern is the use of benchmarks/thresholds in debt sustainability analysis, which some critics have argued is arbitrary. That approach did not completely address the challenges of HIPC countries and did not prove to be very effective in ensuring that those countries maintained a sustainable level of debt once they reached the completion point. It is questionable as to whether employing a similar method under a slightly different application will have a profound change on the outcome.

[24] *Trade and Development Report 2006*, op cit.

[25] IMF and IDA, "Operational Framework for Debt Sustainability Assessments in Low-Income Countries — Further Considerations", Washington, D.C., 28 March 2005.

52. There is also concern about the accuracy and use of projections of debt burden indicators and the importance of those indicators in lending decisions. It has been pointed out on several occasions that many of the projections applied under the HIPC Initiative proved to be overly optimistic, hence the use of such estimates should be applied cautiously.

53. Another criticism has been expressed about the construction of the CPIA index.[26] The clear motivation behind using the index is to create an incentive mechanism to encourage countries to strengthen their governance/institutions in order to receive greater access to financing for development. The prominence of the index is emerging at a moment when "good governance" has become the latest catchphrase in development economics, especially in relation to the effectiveness of aid. However, it is extremely difficult to measure good governance and institutions. The issue in and of itself is a subjective one, involving concepts that may not universally translate across cultures, hence requiring a great degree of subjective assessment.

54. It is sensible to have a measure of risk assessment when formulating lending decisions, and the promotion of better governance and stronger institutions is justified from that point of view. However, the question posed in this context concerns the accuracy of the measure and its applicability across countries. By and large, the specific method of how the index is calculated has remained opaque and out of the public sphere for scrutiny, thus hindering an informed public debate on the process of assessing governance in developing countries. Moreover, these weaknesses in measurement need to be taken into consideration when deciding how much weight and consideration the index is given in lending decisions, particularly in light of the fact that such decisions determine to a large extent the capacity of a country to pursue its development objectives. Furthermore, there seems to be an inherent moral hazard problem imbedded in the framework, as countries with poor CPIA ranking receive grants and cheaper financing than those with higher ratings, which only receive loans with higher interest.[27]

55. One might also bear in mind the fact that the index is a static measure and does not necessarily reflect the dynamic progress or indicate the direction in which the country's policies are moving (as policies may be reversed and changed in a single year). The ultimate objective is growth and development, which should support debt sustainability in the long run. Governance is perhaps one of the instruments to achieve development. The means therefore should not replace the goal in formulating lending decisions, especially when the means are difficult to measure. Caution and security should be exercised when placing significant weight on such measures.

Grant financing: is there enough for financing development?

56. In order for countries to achieve the Millennium Development Goals by 2015 without facing debt servicing difficulties, greater grant-based financing is needed

[26] The CPIA index is composed of 20 indicators classified in 4 categories (economic management, structural policies and social inclusion policies, public sector management and institutions) and ranges from 1 to 6.

[27] IDA addresses this contradiction by withholding 20 per cent of the grants to the poor performers, which is then released following improved performance.

for most HIPC countries. However, in cases where additional loans are necessary to finance investment for development, there is a need to promote responsible lending and borrowing and to link the grant element of such loans to the capacity to pay. Within this context, the issue arises as to how a country strikes the proper balance between grants and concessional loans, which will allow a country to achieve its development objectives without risking debt sustainability. It can be envisaged that projects that carry high social value but low financial returns may be funded by grants, while other projects that may generate proceeds more immediately may be financed by loans. The grant element of loans can be made to vary with the potential rates of return of projects.

57. The obvious benefit of using grants is that they will not lead to potential debt servicing problems later on, while providing valuable fiscal space and resources needed to achieve development objectives. In the case of HIPC completion point countries, those countries will not have enough resources to finance development expenditures without significant increases in aid, preferably in the form of grants. While greater reliance on grants is good from the point of view of debt sustainability, there is concern about the availability of future funds and how a significant shift to grants from loans may increase the uncertainty of future aid flows. Furthermore, it is questionable as to whether countries would receive sufficient development financing if they relied solely on grants.

VI. Policy conclusions

58. The external debt situation of developing countries as a group further improved in the course of last year. A conjunction of external and internal factors contributed to that improvement. Global growth gave a boost to exports from developing countries, allowing foreign exchange reserve build-ups. The low level of interest rates and ample liquidity on international capital markets provided opportunities to raise low-cost capital and to implement active debt management by repaying high-cost debt and prefinancing future capital needs. Developing countries also attracted foreign investors' interest in local currency debt issued on domestic and international capital markets.

59. Yet, this rosy picture should not lead to complacency, as the future is fraught with uncertainty and risks. Central banks in major developed countries have indicated their intention to implement further interest rate increases, in the context of inflationary pressures (in the wake of persistent high oil prices). Global current account imbalances among major trading countries have reached dangerously high, if not unsustainable, levels. An uncoordinated and disorderly resolution of those imbalances may threaten global economic growth, with strong negative impact on exports and GDP growth of developing countries. That may trigger another round of debt crisis.

60. The immediate concern is the risk of reverse capital flows and abrupt withdrawal of those flows from emerging markets. International private capital flows are often characterized by procyclicality, which is dictated by fluctuations in global liquidity and interest rates. Countries have recently built large foreign exchange reserves partly as a way to insure against such capital reflows. However, such reserves may be costly in terms of foregone returns. Other solutions may require the strengthening of regional monetary and financial cooperation, as well as

the development of a stronger base of local and regional institutional investors. The latter are most likely inclined to make long-term investment in local currency debt.

61. The evolution of the international financial system towards a more private-based system of capital flows raises many challenges. Governments should be aware of the procyclicality and volatility of private capital flows and adopt prudential measures accordingly so as to regulate those flows (including adequate supervision of private sector external borrowing), structural reforms of domestic capital markets (to allow better mobilization of domestic savings) and, as mentioned above, stronger regional cooperation.

62. The new international financial architecture of the twenty-first century has provided room for the increasing importance of credit rating agencies. Such agencies play a critical role in the access to international private debt markets by countries and in the determination of the cost of such debt. Given that critical role, more transparency is needed for a better understanding of the rating methodologies used by credit rating agencies. Other issues that may need to be analysed bear upon the enhanced competition and accountability in the profession.

63. The reliance on bond financing also requires consideration for appropriate mechanisms to allow orderly debt restructurings in case of defaults or payments difficulties. As stressed in document A/60/139, the lessons learned from recent experiences of debt restructurings point to the need to reach an international understanding on debt restructuring modalities that would bring together official and private creditors in a collaborative and constructive dialogue with a view to resolving debt problems in an expeditious and timely manner and to protecting the interests of debtors and creditors equitably.

64. Despite a general improvement in the external debt situation, there remains a large number of countries characterized as severely indebted. Innovative approaches could be introduced to allow a larger amount of debt swaps to finance Millennium Development Goal projects in debtor countries. Likewise, the Paris Club Evian Approach can also provide bolder debt reductions for middle-income countries that are heavily indebted.

65. The full implementation of the HIPC and MDR Initiatives may be made more expeditious, in order to allow the remaining eligible countries to benefit from needed debt reductions. Beyond those debt relief initiatives, the question of adequate financing of development of low-income countries needs to be addressed in a flexible way. A substantial scaling up of aid is called for. Consideration could be given to the adequate mixing of grants and loans, varying the grant element according to potential returns of projects. The use of a debt sustainability analysis framework to determine access to finance needs to be applied in a flexible way. Long-term sustainability of debt depends mainly on the growth and export prospects of debtor countries. It follows that debt sustainability analysis should not rely overwhelmingly on governance indicators (which are subjective), but take into account growth and long-term development needs of countries. Strengthening debt-management capacity should be an integral part of debt sustainability strategy.

Annex

External debt of developing countries and countries in transition

(Billions of United States dollars)

	All developing countries and countries in transition			*Sub-Saharan Africa*			*Middle East and North Africa*			*Latin America and Caribbean*			*East Asia and the Pacific*			*South Asia*			*Europe and Central Asia*		
	2003	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*	*2003*	*2004*	*2005[a]*
Total debt stocks	2 581.8	2 755.7	2 800.4	231.2	235.1	215.6	161.2	163.9	162.5	785.9	779.0	723.7	541.5	588.9	633.7	181.5	193.9	194.8	680.5	794.9	870.1
Long-term debt	2 054.1	2 164.9	2 194.5	194.2	196.6	180.6	137.9	141.0	139.2	649.6	639.3	620.7	388.7	403.1	417.9	171.5	181.2	179.8	512.3	603.7	656.3
Public and publicly guaranteed	1 451.0	1 493.4	1 433.7	178.8	182.0	165.4	130.9	133.9	128.9	426.3	433.3	414.5	266.4	269.6	271.2	147.6	152.9	145.6	301.0	321.7	308.1
Private non-guaranteed	603.1	671.5	760.8	15.4	14.6	15.3	7.0	7.2	10.3	223.2	206.0	206.3	122.3	133.5	146.6	23.9	28.3	34.2	211.3	281.9	348.1
Short-term debt	420.8	494.8	556.7	29.8	31.2	29.0	21.4	21.5	22.4	88.6	96.3	91.0	140.6	174.8	207.2	7.4	10.3	12.8	133.0	160.5	194.2
Arrears	128.5	141.1	110.8	43.1	42.3	35.7	15.6	16.4	16.3	32.8	49.4	25.7	23.3	24.4	24.5	0.0	0.0	0.0	13.7	8.6	8.5
Interest arrears	46.4	50.3	38.1	15.7	16.1	12.5	2.8	2.9	2.9	13.9	18.8	10.3	8.4	8.5	8.5	0.0	0.0	0.0	5.5	4.0	4.0
Principal arrears	82.1	90.8	72.6	27.4	26.2	23.2	12.8	13.5	13.4	18.9	30.6	15.4	14.8	15.9	16.1	0.0	0.0	0.0	8.2	4.6	4.5
Debt service paid	420.4	450.3	510.8	12.6	13.8	23.4	20.9	21.7	21.1	153.2	156.7	177.5	92.1	78.8	82.1	24.9	25.0	25.8	116.7	154.3	180.0
Gross national income	6 901.9	8 126.0		403.6	486.7		436.1	491.1		1 693.8	1 940.6		2 256.9	2 622.1		757.8	860.8		1 358.5	1 717.3	
International reserves	1 277.7	1 684.4		41.4	63.4		97.7	112.3		200.8	226.7		566.2	803.1		122.3	149.9		249.3	328.9	
Debt indicators (percentage)																					
Debt service/exports of goods and services	17.3	14.3		8.7	7.9		12.6	10.6		31.3	26.4		10.4	6.8		16.7	12.4		19.8	15.1	
Total debt/exports of goods and services	106.3	88.6		159.5	134.8		97.2	80.3		160.5	131.2		61.3	51.0		121.6	90.6		111.2	95.1	
Debt service/GNI	6.1	5.5		3.1	2.8		4.8	4.4		9.0	8.1		4.1	3.0		3.3	2.9		8.6	9.0	
Total debt/GNI	37.4	33.9		57.3	48.3		37.0	33.4		46.4	40.1		24.0	22.5		24.0	22.4		50.1	46.3	
Short-term/reserves	32.9	29.4		71.8	49.1		21.9	19.2		44.1	42.5		24.8	21.8		6.1	6.9		53.3	48.8	

Source: World Bank, *Global Development Finance 2006*, online database.

[a] Estimated.

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Item 77 of the preliminary list*
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and the *Repertoire of the Practice of the Security Council*

Report of the Secretary-General

Summary

In conformity with General Assembly resolution 60/23 of 23 November 2005, the present report outlines the progress made by the Secretariat in 2006 in updating the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The Assembly is invited, in paragraphs 13 and 24 of the present report, to take action in the light of the conclusions drawn in sections II.F and III.E of the present report.

* A/61/50 and Corr.1.

06-43212 (E) 030806

I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 60/23 of 23 November 2005. In paragraph 9 of the resolution, the Assembly took note of the progress made in the preparation of studies of the *Repertory of Practice of United Nations Organs* and their posting on the Internet in three languages, as well as the progress made in updating the *Repertoire of the Practice of the Security Council* and posting advance versions of individual chapters on the Internet. In paragraph 10, the Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, and encouraged States to make voluntary contributions to the trust fund and to bring the question of funding for the *Repertory* to the attention of private institutions and individuals that may wish to assist in that regard, as well as to consider the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the preparation of the studies. In paragraphs 11 and 12, the Assembly encouraged enhanced cooperation with academic institutions and the use of the internship programme for the preparation of studies, and requested the Secretary-General to continue his efforts, within the level of the currently approved budget, towards making all versions of the *Repertory* available electronically as early as possible. In paragraphs 13 and 14 of the resolution, the Assembly endorsed the efforts of the Secretary-General to eliminate the backlog in the publication of the *Repertoire* and encouraged contributions to the trust fund for the updating of the *Repertoire*. In paragraph 15, the Assembly requested the Secretary-General to submit a report on both the *Repertory* and the *Repertoire* to the Assembly at its sixty-first session.

II. *Repertory of Practice of United Nations Organs*

A. Preparation of Supplements to the *Repertory of Practice of United Nations Organs*

2. In 2006, volume I of Supplement No. 8 (1989-1994) was brought to completion. It is available on the Internet and has been submitted for publication and translation. Volume I of Supplement No. 9 (1995-1999) is near completion and nine other volumes are in different stages of preparation. No progress has been made on the three volumes designated as volume III of Supplements Nos. 7, 8 and 9 (1985-1999). Volume III of Supplement No. 6 (1979-1984) and volume VI of Supplement No. 7 (1985-1988), which have been available on the Internet for some time, have been issued in hard copy in the English language.

3. In addition, the Secretariat continued to make available on the website of the *Repertory* (www.un.org/law/repertory) advance versions of several studies on individual Articles of the Charter of the United Nations which have been finalized and are awaiting completion of the respective volumes. Those studies pertain to Articles 1 (1) (3) (4), 2 (1-6), 7 and 8 of volume I, Supplement No. 9; Article 18 of volume II, Supplements Nos. 7, 8 and 9; and Articles 75, 77-80, 82, 84, 85, 87 and 91 of volume V, Supplements Nos. 8 and 9. Various other studies on individual Articles under these volumes, as well as under volumes IV and VI, Supplements Nos. 8 and 9, are currently in preparation or under review.

4. Annex I sets out the responsibilities of individual Secretariat units for the preparation of *Repertory* studies on individual provisions of the Charter. Annex II sets out the responsibilities of individual Secretariat units for the coordination of the preparation of *Repertory* volumes.

5. In 2006, several departments made use of both interns and externs to do research and collect material for the preparation of studies.

B. Availability of *Repertory* studies on the Internet

6. Currently, studies from 31 complete volumes, including the five volumes in processing for publication, as well as studies on individual Articles of the Charter from 10 volumes not yet complete, are accessible to users of the United Nations website for the *Repertory*. The electronic version of the *Repertory* has proven to be a useful tool for providing greater access to the studies while their publication in hard copy is in process.

7. At present, all studies available in English are on the Internet, with a number of them also available in French and Spanish. Consistent with the General Assembly's request that all versions of the *Repertory* be made available electronically as soon as possible, a number of studies in French corresponding to volumes I, II and III have been placed on the Internet since the beginning of the year. The Secretariat will continue to make available electronically all three language versions of finalized *Repertory* studies as early as possible. However, the progress in placing further language versions, namely French and Spanish, on the Internet depends on the availability of hard copies.

C. Publication of volumes in language versions

8. Volume II of Supplement No. 6 in Spanish and volume IV of Supplement No. 6 in French were published during the first half of 2006. The French version of volume II of Supplement No. 6, the Spanish version of volume III of Supplement No. 6, and the French and the Spanish versions of volumes V and VI of Supplement No. 7 are expected to be issued by the end of 2006.

D. Resources

9. In resolution 60/23, the General Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, which it had requested by its resolution 59/44 of 2 December 2004. On 3 February 2006, a note verbale was sent to all Permanent Missions to the United Nations reminding them of the possibility to make voluntary contributions to the trust fund and requesting them to bring the question of funding for the *Repertory* to the attention of private institutions and individuals who might be able to assist in that regard. No funds have been received so far for the trust fund.

10. In paragraph 60 of its 2006 report,[1] the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 33* (A/61/33).

recommended, inter alia, with respect to the *Repertory*, that the General Assembly commend the Secretary-General for the progress made in the preparation of studies of the *Repertory*, including the increased use of the internship programme of the United Nations and the wider cooperation with academic institutions for that purpose; reiterate its call for voluntary contributions to the trust fund for the elimination of the backlog in the *Repertory* and the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating the publication; call upon the Secretary-General to continue his efforts towards updating the publication; and recognize the desirability of making the *Repertory* available electronically in all its language versions.

E. Interdepartmental Committee on Charter Repertory

11. The Interdepartmental Committee on Charter Repertory decided to reassign certain volumes of Articles between the different departments in order to enhance efficiency in their preparation. The responsibility for coordinating the preparation of volume II was transferred from the Department for General Assembly and Conference Management to the Office of Legal Affairs. It was further decided that the Office of Legal Affairs would bear responsibility for the preparation of studies relating to Articles 18, 19 and 22 (see annexes I and II to the present report).

12. Furthermore, in keeping with the request of the General Assembly, the Committee discussed the possibility of enhanced cooperation with academic institutions and use of the internship programme to carry out research for the preparation of studies on certain Articles. Several departments expressed their support for such measures and announced that they were already using interns more extensively. It was agreed that the various departments would review the Articles under their responsibility and identify those that were suitable for research by interns and academic institutions. It was also decided that the final review of the studies would remain with the respective substantive departments. Subsequently, in addition to the institutions already involved, various other institutions have been contacted to enquire about their interest in undertaking research for the preparation of studies on certain Articles pertaining to volumes II, IV and V. Several of them have expressed an interest in participating in such a project and the first steps of this cooperation have already been taken through meetings with teams established by all interested institutions.

F. Conclusions

13. **With respect to the *Repertory*, in the light of the above, the General Assembly may wish:**

(a) **To note the current status of the publication, including the progress made in the preparation of *Repertory* studies and in their posting on the Internet in three languages (English, French and Spanish);**

(b) **To consider the recommendation of the Special Committee (see para. 10 above) concerning wider cooperation with academic institutions and the increased use of the internship programme for the preparation of studies; voluntary contributions to the trust fund; the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating**

the publication; the call upon the Secretary-General to continue his efforts towards updating the publication; and the desirability of making the *Repertory* available electronically in all its language versions.

III. *Repertoire of the Practice of the Security Council*

A. Mandate and preparation

14. Originally mandated by the General Assembly in 1952 (resolution 686 (VII) of 5 December 1952), the *Repertoire of the Practice of the Security Council* continues to provide a record of the evolving practice and procedure of the Security Council under the Charter of the United Nations and the Council's provisional rules of procedure. Within the limits of the resources available to it, the Secretariat is directing its efforts at producing the *Repertoire* in the most expeditious manner consistent with accuracy and balance, taking advantage of growing technological possibilities.

15. The Secretariat has continued to implement the "two-track" approach, most recently endorsed by the General Assembly in resolution 60/23. This approach has enabled the Secretariat to focus on the Security Council's contemporary practice, in which Member States have expressed the most interest, while concurrently ensuring progress in coverage of the Council's earlier practice.

16. With regard to the Council's past practice, publication of the eleventh Supplement to the *Repertoire*, covering the period from 1989 to 1992, is scheduled for the end of this year. The twelfth Supplement, covering the period from 1993 to 1995, is expected to be published in early 2007. Work on the thirteenth Supplement, covering the remaining four-year period at the end of the decade (1996-1999), is under way.

17. As for the coverage of the Council's contemporary practice, work on the Millennium volume (fourteenth Supplement), covering the period from 2000 to 2003, is proceeding apace. The chapters of this volume dealing with the procedural aspects of the Council's practice are expected to be posted in an advance version by the end of 2006.

18. As part of its efforts to expedite Member States' access to material on the Council's contemporary practice, and to bring the publication of the *Repertoire* up to date, the Secretariat has initiated work on the fifteenth Supplement. It is intended that this Supplement will cover a two-year period (2004-2005). While recent Supplements have generally covered three to four years of the Council's practice, it may be recalled that the fourth Supplement (1964-1965) similarly covered a period of two years. It is believed that, given the increase in recent years in the work of the Security Council and its decision-making, the turnaround would be more rapid if the period of coverage were reduced to two years. The completion of these Supplements will depend, however, on the availability of resources, which is considered further below.

19. The two-track approach has included streamlining the presentation and format of the *Repertoire* while retaining the important substantive elements of the traditional publication. Most chapters of the eleventh Supplement and all chapters of subsequent volumes have followed the streamlined approach. It is expected that the

finalization of internal research and drafting guidelines on individual chapters currently under way will ensure strategic coherence and a consistent approach to the preparation of a streamlined *Repertoire* and further assist in its timely production.

B. Availability of *Repertoire* chapters on the Internet

20. The published volumes of the *Repertoire* are available on the United Nations website (www.un.org/depts/dpa/repertoire), with the most recently published Supplement (covering the period from 1985 to 1988) now available in all six official languages. In addition, to allow access to current information without the lengthy delays involved in preparation for external publication, the Secretariat continues to post finalized chapters of the *Repertoire* in an advance version as early as possible. Individual chapters of the eleventh, twelfth and fourteenth Supplements are now accessible in electronic format (see annex III to the present report).

21. As requested by Member States, the Secretariat has upgraded the website to enhance the search capabilities. It is exploring the possibility of making all six language versions of finalized *Repertoire* chapters available electronically as early as possible.

C. Publication of volumes in language versions

22. As mandated, the Secretariat continues to submit completed and edited volumes of the *Repertoire* for translation and publication into all official languages. This, however, can be a lengthy and costly process. The Secretariat appreciates the willingness expressed by some Member States to contribute towards the translation of future supplements to the *Repertoire* into all official languages.

D. Resources

23. The preparation and production of the *Repertoire* would not have been possible without the continued support of the General Assembly. Voluntary contributions to the trust fund for the updating of the *Repertoire* remain, however, an important element for sustaining progress in a situation of financial constraint. Since the last report (A/60/124), in response to an appeal letter dated 28 November 2005 sent to Member States on behalf of the Secretary-General, contributions to the trust fund have been received from Japan, Nigeria, Qatar, the Republic of Korea, the Russian Federation, Turkey and the United Kingdom of Great Britain and Northern Ireland. In addition, Germany and Italy have contributed by sponsoring two associate expert positions in the relevant branch of the Secretariat. The infusion of these resources has enabled the Secretariat to achieve concrete progress in bringing the *Repertoire* much closer to the goal of being up to date. The challenge, however, remains to be fully met. Member States are therefore encouraged to continue supporting the *Repertoire* in concrete ways.

E. Conclusions

24. **With respect to the *Repertoire* of the Practice of the Security Council, in the light of the above, the General Assembly may wish to:**

(a) **Note the progress made towards the updating of the *Repertoire*;**

(b) **Note the desirability of continuing to make the *Repertoire* available electronically on the Internet;**

(c) **Reiterate its call for voluntary contributions to the trust fund for the updating of the *Repertoire*, and note with appreciation the contributions made by the Governments of Japan, Nigeria, Qatar, the Republic of Korea, the Russian Federation, Turkey and the United Kingdom during the past year;**

(d) **Note with appreciation the support which Germany and Italy have extended by sponsoring, on a voluntary basis, associate experts to assist in the updating of the *Repertoire*, and encourage other Member States in a position to do so to consider providing such assistance.**

Annex I

Secretariat units bearing primary responsibility for the preparation of *Repertory* studies on individual provisions of the Charter of the United Nations*

Department	Repertory *volume*
Office of Legal Affairs	Volume I: Articles 1 to 7
	Volume II: Articles 13 (1) (a), 18, 19 and 22
	Volume VI: Articles 92 to 99, 102 to 105 and 108 to 111
Department of Political Affairs	Volume II: Articles 10, 12, 13 (1) (a), 14 and 16
	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
Department of Peacekeeping Operations	Volume III: Articles 40 to 54 and 106
Department for Disarmament Affairs	Volume II: Article 11
Department for General Assembly and Conference Management	Volume II: Articles 9, 15, 20 and 21
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86, 89, 90 and 91
Department of Management	Volume II: Article 17
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	Volume VI: Article 100 (2)
Department of Economic and Social Affairs	Volume II: Article 8[a]
	Volume II: Article 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71
Office of the United Nations High Commissioner for Human Rights	Volume II: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	Volume II: Article 13 (1) (a)

* This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various points in time since 1996 and is subject to review by the Committee.

[a] The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onward, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Secretariat units responsible for the coordination of the preparation of *Repertory* volumes*

Repertory *Volume*		*Department*
I.	(Articles 1 to 8)	Office of Legal Affairs
II.	(Articles 9 to 22)	Office of Legal Affairs
III.	(Articles 23 to 54, 106 and 107)	Department of Political Affairs
IV.	(Articles 55 to 72)	Department of Economic and Social Affairs
V.	(Articles 73 to 91)	Department of Political Affairs
VI.	(Articles 92 to 105 and 108 to 111)	Office of Legal Affairs
Index		Department of Public Information (Dag Hammarskjöld Library)

* This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various points in time since 1996 and is subject to review by the Committee.

Annex III

Status of the *Repertoire of the Practice of the Security Council*

Volumes published and on Internet	Chapters on Internet (www.un.org/Depts/dpa/repertoire)	Chapters prepared and awaiting [illegible]ing	Chapters in preparation

Supplement	Procedural chapters							Chap. 8	Const..utional chapters				Languages (published)
	1	2	3	4	5	6	7		9	10	11	12	
Original volume 1946-1951													English, French
Supplement I 1952-1955													English, French
Supplement II 1956-1958													English, French
Supplement III 1959-1963													English, French
Supplement IV 1964-1965													English, French
Supplement V 1968-1968													English, French
Supplement VI 1969-1971													English, French
Supplement VII 1972-1974													English, French
Supplement VIII 1975-1980													English, French
Supplement IX 1981-1984													English, French
Supplement X 1985-1988													Arabic, Chinese, English, French, Russian, Spanish[a]
Supplement XI 1989-1992													

Supplement XII 1993-1995													
Supplement XIII 1996-1999													
Supplement XIV 2000-2003													
Supplement XV 2004-2005													

[a] As mandated by the General Assembly in resolution 55/222, this Supplement and future Supplements of the *Repertory* are to be published in all official languages of the United Nations.

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Item 77 of the provisional agenda**
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and the *Repertoire of the Practice of the Security Council*

Report of the Secretary-General

Summary

In conformity with General Assembly resolution 60/23 of 23 November 2005, the present report outlines the progress made by the Secretariat in 2006 in updating the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The Assembly is invited, in paragraphs 13 and 24 of the present report, to take action in the light of the conclusions drawn in sections II.F and III.E of the present report.

* Reissued for technical reasons.
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06-43212* (E) 110806

I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 60/23 of 23 November 2005. In paragraph 9 of the resolution, the Assembly took note of the progress made in the preparation of studies of the *Repertory of Practice of United Nations Organs* and their posting on the Internet in three languages, as well as the progress made in updating the *Repertoire of the Practice of the Security Council* and posting advance versions of individual chapters on the Internet. In paragraph 10, the Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, and encouraged States to make voluntary contributions to the trust fund and to bring the question of funding for the *Repertory* to the attention of private institutions and individuals that may wish to assist in that regard, as well as to consider the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the preparation of the studies. In paragraphs 11 and 12, the Assembly encouraged enhanced cooperation with academic institutions and the use of the internship programme for the preparation of studies, and requested the Secretary-General to continue his efforts, within the level of the currently approved budget, towards making all versions of the *Repertory* available electronically as early as possible. In paragraphs 13 and 14 of the resolution, the Assembly endorsed the efforts of the Secretary-General to eliminate the backlog in the publication of the *Repertoire* and encouraged contributions to the trust fund for the updating of the *Repertoire*. In paragraph 15, the Assembly requested the Secretary-General to submit a report on both the *Repertory* and the *Repertoire* to the Assembly at its sixty-first session.

II. *Repertory of Practice of United Nations Organs*

A. Preparation of Supplements to the *Repertory of Practice of United Nations Organs*

2. In 2006, Volume I of Supplement No. 6 (1989-1994) was brought to completion. It is available on the Internet and has been submitted for publication and translation. Volume I of Supplement No. 7 (1995-1999) is near completion and nine other volumes are in different stages of preparation. No progress has been made on the three volumes designated as volume III of Supplements Nos. 7, 8 and 9 (1985-1999). Volume III of Supplement No. 5 (1979-1984) and volume VI of Supplement No. 7 (1985-1999), which have been available on the Internet for some time, have been issued in hard copy in the French language.

3. In addition, the Secretariat continued to make available on the website of the *Repertory* (www.un.org/law/repertory) advance versions of several studies on individual Articles of the Charter of the United Nations which have been finalized and are awaiting completion of the respective volumes. These studies pertain to Articles 1 (1)-(3), 2 (1)-(6), 7 and 8 of volume I, Supplement No. 9; Article 18 of volume II, Supplements Nos. 7, 8 and 9; and Articles 75, 77-80, 82, 84, 85, 87 and 91 of volume V, Supplements Nos. 8 and 9. Various other studies on individual Articles under those volumes, as well as under volumes IV and VI, Supplements Nos. 8 and 9, are currently in preparation or under review.

4. Annex I sets out the responsibilities of individual Secretariat units for the preparation of *Repertory* studies on individual provisions of the Charter. Annex II sets out the responsibilities of individual Secretariat units for the coordination of the preparation of *Repertory* volumes.

5. In 2006, several departments made use of both interns and externs to do research and collect material for the preparation of studies.

B. Availability of *Repertory* studies on the Internet

6. Currently, studies from 11 complete volumes, including the five volumes in processing for publication, as well as studies on individual Articles of the Charter from 10 volumes not yet complete, are accessible to users of the United Nations website for the *Repertory*. The electronic version of the *Repertory* has proven to be a useful tool for providing greater access to the studies while their publication in hard copy is in process.

7. At present, all studies available in English are on the Internet, with a number of them also available in French and Spanish. Consistent with the General Assembly's request that all versions of the *Repertory* be made available electronically as soon as possible, a number of studies in French corresponding to volumes I, II and III have been placed on the Internet since the beginning of the year. The Secretariat will continue to make available electronically all three language versions of finalized *Repertory* studies as early as possible. However, the progress in placing further language versions, namely French and Spanish, on the Internet depends on the availability of hard copies.

C. Publication of volumes in language versions

8. Volume II of Supplement No. 6 in Spanish and volume IV of Supplement No. 6 in French were published during the first half of 2006. The French version of volume II of Supplement No. 6, the Spanish version of volume III of Supplement No. 6, and the French and the Spanish versions of volumes V and VI of Supplement No. 7 are expected to be issued by the end of 2006.

D. Resources

9. In resolution 60/23, the General Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, which it had requested by its resolution 59/44 of 2 December 2004. On 3 February 2006, a note verbale was sent to all Permanent Missions to the United Nations reminding them of the possibility to make voluntary contributions to the trust fund and requesting them to bring the question of funding for the *Repertory* to the attention of private institutions and individuals who might be able to assist in that regard. No funds have been received so far for the trust fund.

10. In paragraph 60 of its 2006 report,[1] the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 33* (A/61/33).

recommended, inter alia, with respect to the *Repertory*, that the General Assembly commend the Secretary-General for the progress made in the preparation of studies of the *Repertory*, including the increased use of the internship programme of the United Nations and the wider cooperation with academic institutions for that purpose; reiterate its call for voluntary contributions to the trust fund for the elimination of the backlog in the *Repertory* and the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating the publication; call upon the Secretary-General to continue his efforts towards updating the publication; and recognize the desirability of making the *Repertory* available electronically in all its language versions.

E. Interdepartmental Committee on Charter Repertory

11. The Interdepartmental Committee on Charter Repertory decided to reassign certain volumes of Articles between the different departments in order to enhance efficiency in their preparation. The responsibility for coordinating the preparation of volume II was transferred from the Department for General Assembly and Conference Management to the Office of Legal Affairs. It was further decided that the Office of Legal Affairs would bear responsibility for the preparation of studies relating to Articles 18, 19 and 22 (see annexes I and II to the present report).

12. Furthermore, in keeping with the request of the General Assembly, the Committee discussed the possibility of enhanced cooperation with academic institutions and use of the internship programme to carry out research for the preparation of studies on certain Articles. Several departments expressed their support for such measures and announced that they were already using interns more extensively. It was agreed that the various departments would review the Articles under their responsibility and identify those that were suitable for research by interns and academic institutions. It was also decided that the final review of the studies would remain with the respective substantive departments. Subsequently, in addition to the institutions already involved, various other institutions have been contacted to enquire about their interest in undertaking research for the preparation of studies on certain Articles pertaining to volumes II, IV and V. Several of them have expressed an interest in participating in such a project and the first steps of this cooperation have already been taken through meetings with teams established by all interested institutions.

F. Conclusions

13. **With respect to the *Repertory*, in the light of the above, the General Assembly may wish:**

(a) **To note the current status of the publication, including the progress made in the preparation of *Repertory* studies and in their posting on the Internet in three languages (English, French and Spanish);**

(b) **To consider the recommendation of the Special Committee (see para. 10 above) concerning wider cooperation with academic institutions and the increased use of the internship programme for the preparation of studies; voluntary contributions to the trust fund; the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating**

the publication; the call upon the Secretary-General to continue his efforts towards updating the publication; and the desirability of making the *Repertory* available electronically in all its language versions.

III. *Repertoire of the Practice of the Security Council*

A. Mandate and preparation

14. Originally mandated by the General Assembly in 1952 (resolution 686 (VII) of 5 December 1952), the *Repertoire of the Practice of the Security Council* continues to provide a record of the evolving practice and procedure of the Security Council under the Charter of the United Nations and the Council's provisional rules of procedure. Within the limits of the resources available to it, the Secretariat is directing its efforts at producing the *Repertoire* in the most expeditious manner consistent with accuracy and balance, taking advantage of growing technological possibilities.

15. The Secretariat has continued to implement the "two-track" approach, most recently endorsed by the General Assembly in resolution 60/23. This approach has enabled the Secretariat to focus on the Security Council's contemporary practice, in which Member States have expressed the most interest, while concurrently ensuring progress in coverage of the Council's earlier practice.

16. With regard to the Council's past practice, publication of the eleventh Supplement to the *Repertoire*, covering the period from 1989 to 1992, is scheduled for the end of this year. The twelfth Supplement, covering the period from 1993 to 1995, is expected to be published in early 2007. Work on the thirteenth Supplement, covering the remaining four-year period at the end of the decade (1996-1999), is under way.

17. As for the coverage of the Council's contemporary practice, work on the Millennium volume (fourteenth Supplement), covering the period from 2000 to 2003, is proceeding apace. The chapters of this volume dealing with the procedural aspects of the Council's practice are expected to be posted in an advance version by the end of 2006.

18. As part of its efforts to expedite Member States' access to material on the Council's contemporary practice, and to bring the publication of the *Repertoire* up to date, the Secretariat has initiated work on the fifteenth Supplement. It is intended that this Supplement will cover a two-year period (2004-2005). While recent Supplements have generally covered three to four years of the Council's practice, it may be recalled that the fourth Supplement (1964-1965) similarly covered a period of two years. It is believed that, given the increase in recent years in the work of the Security Council and its decision-making, the turnaround would be more rapid if the period of coverage were reduced to two years. The completion of these Supplements will depend, however, on the availability of resources, which is considered further below.

19. The two-track approach has included streamlining the presentation and format of the *Repertoire* while retaining the important substantive elements of the traditional publication. Most chapters of the eleventh Supplement and all chapters of subsequent volumes have followed the streamlined approach. It is expected that the

finalization of internal research and drafting guidelines on individual chapters currently under way will ensure strategic coherence and a consistent approach to the preparation of a streamlined *Repertoire* and further assist in its timely production.

B. Availability of *Repertoire* chapters on the Internet

20. The published volumes of the *Repertoire* are available on the United Nations website (www.un.org/depts/dpa/repertoire), with the most recently published Supplement (covering the period from 1985 to 1988) now available in all six official languages. In addition, to allow access to current information without the lengthy delays involved in preparation for external publication, the Secretariat continues to post finalized chapters of the *Repertoire* in an advance version as early as possible. Individual chapters of the eleventh, twelfth and fourteenth Supplements are now accessible in electronic format (see annex III to the present report).

21. As requested by Member States, the Secretariat has upgraded the website to enhance the search capabilities. It is exploring the possibility of making all six language versions of finalized *Repertoire* chapters available electronically as early as possible.

C. Publication of volumes in language versions

22. As mandated, the Secretariat continues to submit completed and edited volumes of the *Repertoire* for translation and publication into all official languages. This, however, can be a lengthy and costly process. The Secretariat appreciates the willingness expressed by some Member States to contribute towards the translation of future supplements to the *Repertoire* into all official languages.

D. Resources

23. The preparation and production of the *Repertoire* would not have been possible without the continued support of the General Assembly. Voluntary contributions to the trust fund for the updating of the *Repertoire* remain, however, an important element for sustaining progress in a situation of financial constraint. Since the last report (A/60/124), in response to an appeal letter dated 28 November 2005 sent to Member States on behalf of the Secretary-General, contributions to the trust fund have been received from Japan, Nigeria, Qatar, the Republic of Korea, the Russian Federation, Turkey and the United Kingdom of Great Britain and Northern Ireland. In addition, Germany and Italy have contributed by sponsoring two associate expert positions in the relevant branch of the Secretariat. The infusion of these resources has enabled the Secretariat to achieve concrete progress in bringing the *Repertoire* much closer to the goal of being up to date. The challenge, however, remains to be fully met. Member States are therefore encouraged to continue supporting the *Repertoire* in concrete ways.

E. Conclusions

24. **With respect to the *Repertoire* of the Practice of the Security Council, in the light of the above, the General Assembly may wish to:**

(a) **Note the progress made towards the updating of the *Repertoire*;**

(b) **Note the desirability of continuing to make the *Repertoire* available electronically on the Internet;**

(c) **Reiterate its call for voluntary contributions to the trust fund for the updating of the *Repertoire*, and note with appreciation the contributions made by the Governments of Japan, Nigeria, Qatar, the Republic of Korea, the Russian Federation, Turkey and the United Kingdom during the past year;**

(d) **Note with appreciation the support which Germany and Italy have extended by sponsoring, on a voluntary basis, associate experts to assist in the updating of the *Repertoire*, and encourage other Member States in a position to do so to consider providing such assistance.**

Annex I

Secretariat units bearing primary responsibility for the preparation of *Repertory* studies on individual provisions of the Charter of the United Nations*

Department	*Repertory volume*
Office of Legal Affairs	Volume I: Articles 1 to 7
	Volume II: Articles 13 (1) (a), 18, 19 and 22
	Volume VI: Articles 92 to 99, 102 to 105 and 108 to 111
Department of Political Affairs	Volume II: Articles 10, 12, 13 (1) (a), 14 and 16
	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
Department of Peacekeeping Operations	Volume III: Articles 40 to 54 and 106
Department for Disarmament Affairs	Volume II: Article 11
Department for General Assembly and Conference Management	Volume II: Articles 9, 15, 20 and 21
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86, 89, 90 and 91
Department of Management	Volume II: Article 17
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	Volume VI: Article 100 (2)
Department of Economic and Social Affairs	Volume II: Article 8[a]
	Volume II: Article 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71
Office of the United Nations High Commissioner for Human Rights	Volume II: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	Volume II: Article 13 (1) (a)

* This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various points in time since 1990 and is subject to review by the Committee.

[a] The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onward, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Secretariat units responsible for the coordination of the preparation of *Repertory* volumes*

Repertory volume		Department
I	(Articles 1 to 8)	Office of Legal Affairs
II	(Articles 9 to 22)	Office of Legal Affairs
III	(Articles 23 to 54, 106 and 107)	Department of Political Affairs
IV	(Articles 55 to 72)	Department of Economic and Social Affairs
V	(Articles 73 to 91)	Department of Political Affairs
VI	(Articles 92 to 105 and 108 to 111)	Office of Legal Affairs
Index		Department of Public Information (Dag Hammarskjöld Library)

* This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various points in time since 1946 and is subject to review by the Committee.

Annex III

Status of the *Repertoire of the Practice of the Security Council*

Volumes published and on Internet	Chapters on Internet (www.un.org/Depts/dpa/repertoire)	Chapters prepared and awaiting posting	Chapters in preparation

Supplement	Procedural chapters							Chap. 8	Constitutional chapters				Languages (published)
	1	2	3	4	5	6	7		9	10	11	12	
Original volume 1946-1951													English, French
Supplement I 1952-1955													English, French
Supplement II 1956-1958													English, French
Supplement III 1959-1963													English, French
Supplement IV 1964-1965													English, French
Supplement V 1966-1968													English, French
Supplement VI 1969-1971													English, French
Supplement VII 1972-1974													English, French
Supplement VIII 1975-1980													English, French
Supplement IX 1981-1984													English, French
Supplement X 1985-1988													Arabic, Chinese, English, French, Russian, Spanish[a]
Supplement XI 1989-1992													
Supplement XII 1993-1995													
Supplement XIII 1996-1999													
Supplement XIV 2000-2003													
Supplement XV 2004-2005													

[a] As mandated by the General Assembly in resolution 55/222, this Supplement and future Supplements of the *Repertoire* are to be published in all official languages of the United Nations.

United Nations A/61/153**

General Assembly

Distr.: General
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Sixty-first session
Item 77 of the provisional agenda***
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and the *Repertoire of the Practice of the Security Council*

Report of the Secretary-General

Summary

In conformity with General Assembly resolution 60/23 of 23 November 2005, the present report outlines the progress made by the Secretariat in 2006 in updating the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The Assembly is invited, in paragraphs 13 and 24 of the present report, to take action in the light of the conclusions drawn in sections II.F and III.E of the present report.

** Second reissue for technical reasons.
*** A/61/150.

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I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 60/23 of 23 November 2005. In paragraph 9 of the resolution, the Assembly took note of the progress made in the preparation of studies of the *Repertory of Practice of United Nations Organs* and their posting on the Internet in three languages, as well as the progress made in updating the *Repertoire of the Practice of the Security Council* and posting advance versions of individual chapters on the Internet. In paragraph 10, the Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, and encouraged States to make voluntary contributions to the trust fund and to bring the question of funding for the *Repertory* to the attention of private institutions and individuals that may wish to assist in that regard, as well as to consider the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the preparation of the studies. In paragraphs 11 and 12, the Assembly encouraged enhanced cooperation with academic institutions and the use of the internship programme for the preparation of studies, and requested the Secretary-General to continue his efforts, within the level of the currently approved budget, towards making all versions of the *Repertory* available electronically as early as possible. In paragraphs 13 and 14 of the resolution, the Assembly endorsed the efforts of the Secretary-General to eliminate the backlog in the publication of the *Repertory* and encouraged contributions to the trust fund for the updating of the *Repertoire*. In paragraph 15, the Assembly requested the Secretary-General to submit a report on both the *Repertory* and the *Repertoire* to the Assembly at its sixty-first session.

II. *Repertory of Practice of United Nations Organs*

A. Preparation of Supplements to the *Repertory of Practice of United Nations Organs*

2. In 2006, volume I of Supplement No. 8 (1989-1994) was brought to completion. It is available on the Internet and has been submitted for publication and translation. Volume I of Supplement No. 9 (1995-1999) is near completion and nine other volumes are in different stages of preparation. No progress has been made on the three volumes designated as volume III of Supplements Nos. 7, 8 and 9 (1985-1999). Volume III of Supplement No. 5 (1979-1984) and volume VI of Supplement No. 7 (1985-1988), which have been available on the Internet for some time, have been issued in hard copy in the English language.

3. In addition, the Secretariat continued to make available on the website of the *Repertory* (www.un.org/law/repertory) advance versions of several studies on individual Articles of the Charter of the United Nations which have been finalized and are awaiting completion of the respective volumes. These studies pertain to Articles 1 (1) (2) (4), 2 (1)-(6), 7 and 8 of volume I, Supplement No. 9; Article 18 of volume II, Supplements Nos. 7, 8 and 9; and Articles 75, 77-80, 82, 84, 85, 87 and 91 of volume V, Supplements Nos. 8 and 9. Various other studies on individual Articles under these volumes, as well as under volumes IV and VI, Supplements Nos. 8 and 9, are currently in preparation or under review.

3. Annex I sets out the responsibilities of individual Secretariat units for the preparation of *Repertory* studies on individual provisions of the Charter. Annex II sets out the responsibilities of individual Secretariat units for the coordination of the preparation of *Repertory* volumes.

4. In 2006, several departments made use of both interns and externs to do research and collect material for the preparation of studies.

B. Availability of *Repertory* studies on the Internet

5. Currently, studies from 31 complete volumes, including the five volumes in processing for publication, as well as studies on individual Articles of the Charter from 10 volumes not yet complete, are accessible to users of the United Nations website for the *Repertory*. The electronic version of the *Repertory* has proven to be a useful tool for providing greater access to the studies while their publication in hard copy is in process.

6. At present, all studies available in English are on the Internet, with a number of them also available in French and Spanish. Consistent with the General Assembly's request that all versions of the *Repertory* be made available electronically as soon as possible, a number of studies in French corresponding to volumes I, II and III have been placed on the Internet since the beginning of the year. The Secretariat will continue to make available electronically all three language versions of finalized *Repertory* studies as early as possible. However, the progress in placing further language versions, namely French and Spanish, on the Internet depends on the availability of hard copies.

C. Publication of volumes in language versions

7. Volume II of Supplement No. 6 in Spanish and volume IV of Supplement No. 6 in French were published during the first half of 2006. The French version of volume II of Supplement No. 6, the Spanish version of volume III of Supplement No. 6, and the French and the Spanish versions of volumes V and VI of Supplement No. 7 are expected to be issued by the end of 2006.

D. Resources

8. In resolution 60/23, the General Assembly welcomed the establishment of a trust fund to eliminate the backlog of the *Repertory*, which it had requested by its resolution 59/44 of 2 December 2004. On 3 February 2006, a note verbale was sent to all Permanent Missions to the United Nations reminding them of the possibility to make voluntary contributions to the trust fund and requesting them to bring the question of funding for the *Repertory* to the attention of private institutions and individuals who might be able to assist in that regard. No funds have been received so far for the trust fund.

9. In paragraph 60 of its 2006 report,[1] the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 33 (A/61/33).*

recommended, inter alia, with respect to the *Repertory*, that the General Assembly commend the Secretary-General for the progress made in the preparation of studies of the *Repertory*, including the increased use of the internship programme of the United Nations and the wider cooperation with academic institutions for that purpose; reiterate its call for voluntary contributions to the trust fund for the elimination of the backlog in the *Repertory* and the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating the publication; call upon the Secretary-General to continue his efforts towards updating the publication; and recognize the desirability of making the *Repertory* available electronically in all its language versions.

E. Interdepartmental Committee on Charter Repertory

11. The Interdepartmental Committee on Charter Repertory decided to reassign certain volumes of Articles between the different departments in order to enhance efficiency in their preparation. The responsibility for coordinating the preparation of volume II was transferred from the Department for General Assembly and Conference Management to the Office of Legal Affairs. It was further decided that the Office of Legal Affairs would bear responsibility for the preparation of studies relating to Articles 18, 19 and 22 (see annexes I and II to the present report).

12. Furthermore, in keeping with the request of the General Assembly, the Committee discussed the possibility of enhanced cooperation with academic institutions and use of the internship programme to carry out research for the preparation of studies on certain Articles. Several departments expressed their support for such measures and announced that they were already using interns more extensively. It was agreed that the various departments would review the Articles under their responsibility and identify those that were suitable for research by interns and academic institutions. It was also decided that the final review of the studies would remain with the respective substantive departments. Subsequently, in addition to the institutions already involved, various other institutions have been contacted to enquire about their interest in undertaking research for the preparation of studies on certain Articles pertaining to volumes II, IV and V. Several of them have expressed an interest in participating in such a project and the first steps of this cooperation have already been taken through meetings with teams established by all interested institutions.

F. Conclusions

13. **With respect to the *Repertory*, in the light of the above, the General Assembly may wish:**

(a) **To note the current status of the publication, including the progress made in the preparation of *Repertory* studies and in their posting on the Internet in three languages (English, French and Spanish);**

(b) **To consider the recommendation of the Special Committee (see para. 10 above) concerning wider cooperation with academic institutions and the increased use of the internship programme for the preparation of studies; voluntary contributions to the trust fund; the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in updating**

the publication; the call upon the Secretary-General to continue his efforts towards updating the publication; and the desirability of making the *Repertory* available electronically in all its language versions.

III. *Repertoire of the Practice of the Security Council*

A. Mandate and preparation

14. Originally mandated by the General Assembly in 1952 (resolution 686 (VII) of 5 December 1952), the *Repertoire of the Practice of the Security Council* continues to provide a record of the evolving practice and procedure of the Security Council under the Charter of the United Nations and the Council's provisional rules of procedure. Within the limits of the resources available to it, the Secretariat is directing its efforts at producing the *Repertoire* in the most expeditious manner consistent with accuracy and balance, taking advantage of growing technological possibilities.

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17. As for the coverage of the Council's contemporary practice, work on the Millennium volume (fourteenth Supplement), covering the period from 2000 to 2003, is proceeding apace. The chapters of this volume dealing with the procedural aspects of the Council's practice are expected to be posted in an advance version by the end of 2006.

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finalization of internal research and drafting guidelines on individual chapters currently under way will ensure strategic coherence and a consistent approach to the preparation of a streamlined *Repertoire* and further assist in its timely production.

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22. As mandated, the Secretariat continues to submit completed and edited volumes of the *Repertoire* for translation and publication into all official languages. This, however, can be a lengthy and costly process. The Secretariat appreciates the willingness expressed by some Member States to contribute towards the translation of future supplements to the *Repertoire* into all official languages.

D. Resources

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E. Conclusions

24. **With respect to the *Repertoire* of the Practice of the Security Council, in the light of the above, the General Assembly may wish to:**

(a) **Note the progress made towards the updating of the *Repertoire*;**

(b) **Note the desirability of continuing to make the *Repertoire* available electronically on the Internet;**

(c) **Reiterate its call for voluntary contributions to the trust fund for the updating of the *Repertoire*, and note with appreciation the contributions made by the Governments of Japan, Nigeria, Qatar, the Republic of Korea, the Russian Federation, Turkey and the United Kingdom during the past year;**

(d) **Note with appreciation the support which Germany and Italy have extended by sponsoring, on a voluntary basis, associate experts to assist in the updating of the *Repertoire*, and encourage other Member States in a position to do so to consider providing such assistance.**

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Secretariat units bearing primary responsibility for the preparation of *Repertory* studies on individual provisions of the Charter of the United Nations*

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	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
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Department for Disarmament Affairs	Volume II: Article 11
Department for General Assembly and Conference Management	Volume II: Articles 9, 15, 20 and 21
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86, 89, 90 and 91
Department of Management	Volume II: Article 17
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	Volume VI: Article 100 (2)
Department of Economic and Social Affairs	Volume II: Article 8**
	Volume II: Article 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71
Office of the United Nations High Commissioner for Human Rights	Volume II: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	Volume II: Article 13 (1) (a)

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** The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onward, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Secretariat units responsible for the coordination of the preparation of *Repertory* volumes*

Repertory Volume		Department
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Index		Department of Public Information (Dag Hammarskjöld Library)

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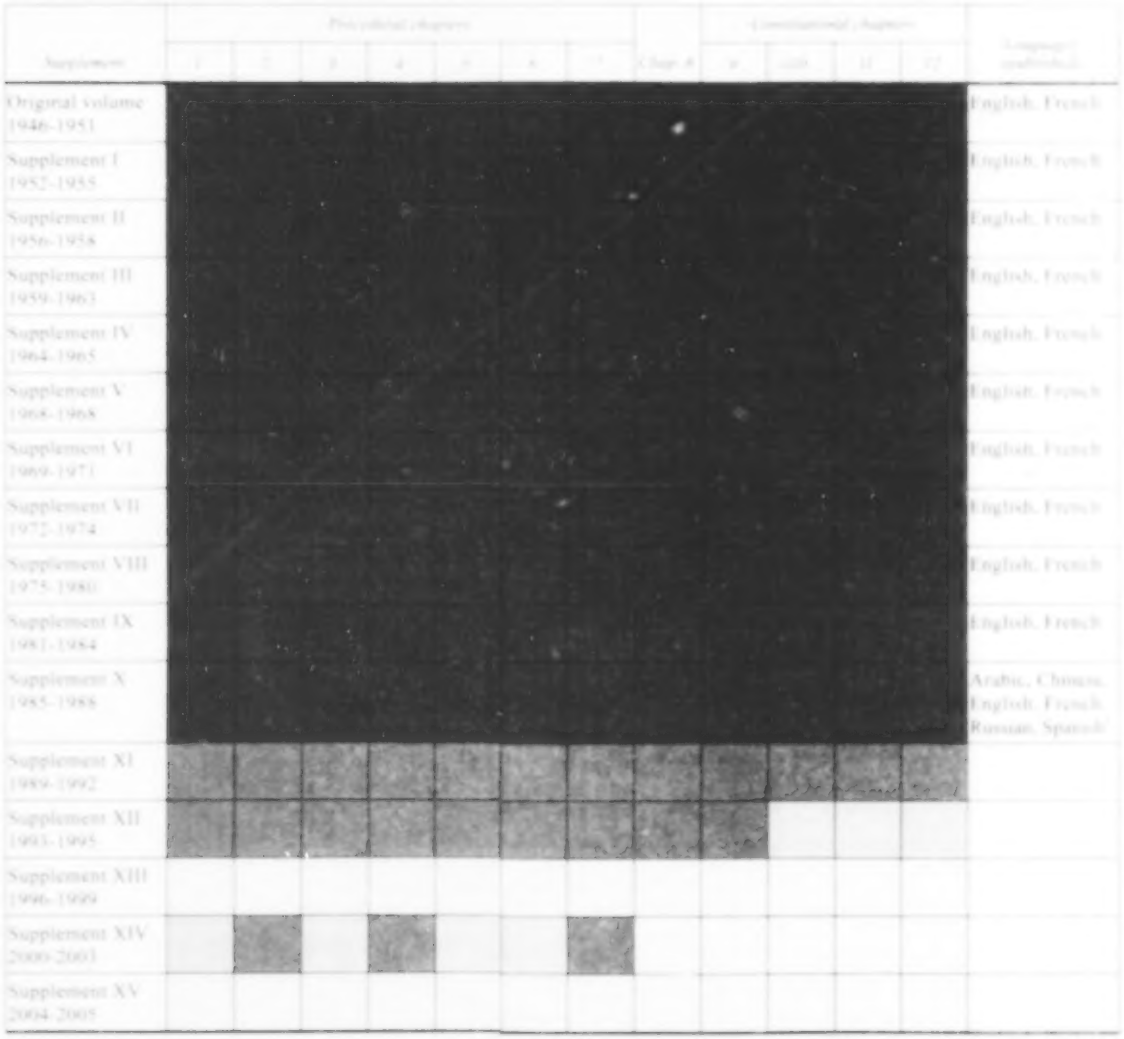
Annex III

Status of the *Repertoire of the Practice of the Security Council*

	Chapters on Internet (www.un.org/Depts/dpa/repertoire)	Chapters prepared and awaiting posting	Chapters in preparation



[*] As mandated by the General Assembly in resolution 55/222, this Supplement and future Supplements of the *Repertoire* are to be published in all official languages of the United Nations.